



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

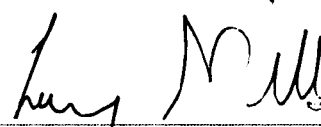
I HEREBY ATTEST

that:

*Attached is a copy of, annual report on Form 10-K, for the fiscal
period ended December 31, 1999, received in this Commission
on March 31, 2000, under the name Enron Corp.,
File No. 1-13159, pursuant to the provisions of the Securities
Exchange Act of 1934.*

on file in this Commission
February 13, 2006

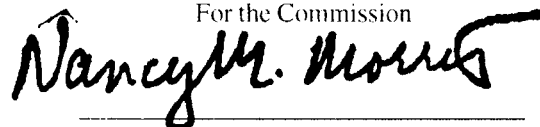
(Date)



Larry Mills
Records Officer

It is hereby certified that the Associate Executive Director, Office of Filings and Information Services, U.S. Securities and Exchange Commission, Washington, D.C., which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission, and all records and files created or established by the Federal Trade Commission pursuant to the provisions of the Securities Act of 1933 and transferred to this Commission in accordance with Section 210 of the Securities Exchange Act of 1934, and was such official custodian at the time of executing the above attestation, and that he/she, and persons holding the positions of Deputy Director, Associate Directors, Special Assistant to the Director, Records Officer, Branch Chief of Records Management, and the Program Analyst for the Records Officer, or any one of them, are authorized to execute the above attestation.

For the Commission



Secretary

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

Form 10-K

{X} ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
OR
{ } TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-13159

ENRON CORP.

(Exact name of registrant as specified in its charter)

Oregon	47-0255140
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

ENRON BUILDING

1400 Smith Street, Houston, Texas 77002-7369

(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: 713-853-6161

Securities registered pursuant to Section 12(b) of the Act:	
Title of each class	Name of each exchange on which Registered

Common Stock, no par value	New York Stock Exchange; Chicago Stock Exchange; and Pacific Stock Exchange
----------------------------	---

Cumulative Second Preferred Convertible Stock, no par value	New York Stock Exchange and Chicago Stock Exchange
---	--

7% Exchangeable Notes due July 31, 2002	New York Stock Exchange
--	-------------------------

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the Registrant (1) has
filed all reports required to be filed by Section 13 or
15(d) of the Securities Exchange Act of 1934 during the
preceding 12 months (or for such shorter period that the
Registrant was required to file such reports), and (2) has
been subject to such filing requirements for the past 90 days.
Yes {X} No { }

Indicate by check mark if disclosure of delinquent filers
pursuant to Item 405 of Regulation S-K is not contained
herein, and will not be contained, to the best of
registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this
Form 10-K or any amendment to this Form 10-K.

Aggregate market value of the voting stock held by non-
affiliates of the registrant, based on closing prices in the
daily composite list for transactions on the New York Stock

Exchange on February 15, 2000, was approximately \$51,230,710,146. As of March 1, 2000, there were 724,621,221 shares of registrant's Common Stock, no par value, outstanding.

Documents incorporated by reference. Certain portions of the registrant's definitive Proxy Statement for the May 2, 2000 Annual Meeting of Shareholders ("Proxy Statement") are incorporated herein by reference in Part III of this Form 10-K.

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PART I

Item 1. BUSINESS

GENERAL

Enron Corp., an Oregon corporation, is an energy and communications company with headquarters in Houston, Texas. Enron's operations are conducted through its subsidiaries and affiliates which are principally engaged in the transportation of natural gas through pipelines to markets throughout the United States; the generation, transmission and distribution of electricity to markets in the northwestern United States; the marketing of natural gas, electricity and other commodities and related risk management and finance services worldwide; the development, construction and operation of power plants, pipelines and other energy related assets worldwide; and the development of an intelligent network platform to provide bandwidth management services and deliver high bandwidth applications. As of December 31, 1999, Enron employed approximately 17,900 persons.

As used herein, unless the context indicates otherwise, "Enron" refers to Enron Corp. and its subsidiaries and affiliates.

BUSINESS SEGMENTS

Enron has divided its operations into the following reportable segments:

Transportation and Distribution - Regulated industries; interstate transmission of natural gas; management and operation of pipelines; electric utility operations.

Wholesale Energy Operations and Services - Energy commodity sales and services, risk management products and financial services to wholesale customers; development, acquisition and operation of power plants, natural gas pipelines and other energy-related and communications assets including broadband services.

Retail Energy Services - Sales of natural gas and electricity directly to end-use customers, mainly in the commercial and industrial sectors, including the outsourcing of customers' energy-related activities;

Exploration and Production - Natural gas and crude oil exploration and production primarily in the United States, Canada, Trinidad and India until August 16, 1999.

Corporate and Other - Includes operation of water and renewable energy businesses as well as clean fuels plants.

For financial information by business segment for the fiscal years ended December 31, 1997 through December 31, 1999, please see Note 20 to the Consolidated Financial Statements on page F-36.

TRANSPORTATION AND DISTRIBUTION

Enron's Transportation and Distribution business is comprised of the company's North American interstate natural gas transportation systems and its electricity transmission

and distribution operations in Oregon.

Interstate Transmission of Natural Gas

Enron and its subsidiaries operate domestic interstate natural gas pipelines extending from Texas to the Canadian border and across the southern United States from Florida to California. Included in Enron's domestic interstate natural gas pipeline operations are Northern Natural Gas Company ("Northern"), Transwestern Pipeline Company ("Transwestern") and Florida Gas Transmission Company ("Florida Gas") (indirectly 50% owned by Enron). Northern, Transwestern and Florida Gas are interstate pipelines and are subject to the regulatory jurisdiction of the Federal Energy Regulatory Commission (the "FERC"). Each pipeline serves customers in a specific geographical area: Northern, the upper Midwest; Transwestern, principally the California market and pipeline interconnects on the east end of the Transwestern system; and Florida Gas, the State of Florida. In addition, Enron holds an interest in Northern Border Partners, L.P., which owns a 70% interest in the Northern Border Pipeline system. An Enron subsidiary operates the Northern Border Pipeline system, which transports gas from Western Canada to delivery points in the midwestern United States.

Northern Natural Gas Company. Through its approximately 16,500-mile natural gas pipeline system stretching from Texas to Michigan's Upper Peninsula, Northern transports natural gas to points in its traditional market area of Illinois, Iowa, Kansas, Michigan, Minnesota, Nebraska, South Dakota and Wisconsin. Gas is transported to town border stations for consumption and resale by non-affiliated gas utilities and municipalities and to other pipeline companies and gas marketers. Northern also transports gas at various points outside its traditional market area in the production areas of Colorado, Kansas, New Mexico, Oklahoma, Texas and North Dakota for utilities, end-users and other pipeline and marketing companies. Northern provides transportation and storage services to approximately 90 utility customers and end-users in the upper midwestern United States. Most of Northern's revenues are comprised of monthly demand charges that are based on contracted capacity rather than throughput.

In Northern's market area, natural gas is an energy source available for traditional residential, commercial and industrial uses. Northern's throughput totaled 1,394 trillion British thermal units ("TBTu") in 1999. Northern also operates three natural gas storage facilities and two liquefied natural gas storage peaking units. These storage facilities provide Northern the operational capacity to balance its system on a daily basis and assist in meeting customers' heating season system requirements. Northern competes with other interstate pipelines in the transportation and storage of natural gas. In addition, the FERC continues its efforts to introduce more competition into the natural gas industry, having the effect of increasing transportation and purchase options of Northern's traditional customer base. See "Regulation - Natural Gas Rates and Regulations".

Transwestern Pipeline Company. Transwestern is an interstate pipeline engaged in the transportation of natural gas. Through its approximately 2,500-mile pipeline system, Transwestern transports natural gas from West Texas, Oklahoma, eastern New Mexico and the San Juan Basin in

northwestern New Mexico and southern Colorado primarily to the California market and to markets off the east end of its system. Transwestern has access to three significant gas basins for its gas supply: the San Juan Basin, the Permian Basin in West Texas and eastern New Mexico and the Anadarko Basin in the Texas and Oklahoma Panhandles. Transwestern's peak delivery capacity was approximately 1.5 billion cubic feet ("Bcf") per day in 1999. Substantially all of Transwestern's delivery capacity to California was held by shippers on a firm basis until November 1, 1996, when approximately 450 million cubic feet ("MMcf") per day of firm capacity was turned back to Transwestern by a major customer as a result of oversupply of pipeline capacity to California. Anticipating this turnback, Transwestern entered into a settlement agreement with its customers whereby the costs associated with this turnback are shared by Transwestern and certain customers. Transwestern is responsible for 70% of the risk of resubscribing the released capacity, and Transwestern's customers have the remaining 30% of such risk through 2001. In addition to this cost-sharing mechanism, Transwestern and its customers also agreed to contract rates through 2006 and agreed that Transwestern would not be required to file a new rate case for rates to be effective prior to November 1, 2006.

Transwestern's mainline includes a lateral pipeline to the San Juan Basin which allows Transwestern to access San Juan Basin gas supplies. Via Transwestern's San Juan lateral pipeline, the San Juan Basin gas may be delivered to California markets as well as markets off the east end of Transwestern's system. This bi-directional flow capability enhances pipeline utilization. Transwestern added bi-directional flow capability in 1995 to increase system flexibility and utilization as a result of the oversupply of pipeline capacity to California. This initially increased volumes delivered to the system's east end. Transwestern has firm transportation service on the east end of its system and transports Permian, Anadarko and San Juan Basin supplies into Texas, Oklahoma and the midwestern United States. More recently, Transwestern has reestablished volumes flowing into the previously oversupplied California market.

In January 2000, Transwestern received FERC certification to increase delivery capability to California by 140 MMcf per day. This expansion is expected to be in service in May 2000. Transwestern competes with several interstate pipelines in the California market and its markets off the east end of its system.

Florida Gas Transmission Company. An Enron subsidiary owns a 50% interest in Florida Gas by virtue of its 50% interest in Citrus Corp., which owns all of the capital stock of Florida Gas. Another Enron subsidiary operates the Florida Gas pipeline.

Florida Gas is an interstate pipeline company that transports natural gas for third parties. Its approximately 4,795-mile pipeline system extends from South Texas to a point near Miami, Florida. Florida Gas provides a high degree of gas supply flexibility for its customers because of its proximity to the Gulf of Mexico producing region and its interconnections with other interstate pipeline systems which provide access to virtually every major natural gas producing region in the United States. Florida Gas serves a mix of customers anchored by electric utility generators.

Florida Gas has periodically expanded its system capacity to keep pace with the growing demand for natural gas in Florida. In February 2000, Florida Gas received FERC certification for its Phase IV expansion. Phase IV will increase system capacity approximately 200 MMcf per day and is backed by 20-year firm transportation agreements. This expansion is expected to be in service in mid-2001 and is expected to cost approximately \$270 million. In December 1999, Florida Gas filed an application with FERC for its Phase V expansion, which will increase capacity an additional approximately 400 MMcf per day at an estimated cost of \$420 million. Subject to regulatory approvals, Phase V is expected to be in service in 2002. Florida Gas' current firm average delivery capacity into Florida is approximately 1,495 billion British thermal units ("Bbtu") per day. Florida Gas also owns an interest in facilities that link its system to the Mobile Bay producing area. Florida Gas' customers have reserved over 99% of the existing capacity on the Florida Gas system pursuant to firm, long-term transportation service agreements.

Florida Gas is the only interstate natural gas pipeline serving peninsular Florida. Florida Gas faces competition from residual fuel oil in the Florida market. In addition, there are two proposed pipeline projects currently on file with the FERC that would compete with Florida Gas to serve Florida's growing energy needs. Both projects propose building a pipeline from Mobile, Alabama crossing the Gulf of Mexico to Florida. Enron is unable to predict which of these projects, if any, will go forward.

Northern Border Partners, L.P.. Northern Border Partners, L.P., a Delaware limited partnership, owns 70% of Northern Border Pipeline Company, a Texas general partnership ("Northern Border"). An Enron subsidiary holds a 12.4% interest in the limited partnership and serves as operator of the pipeline. Northern Border owns an approximately 1,214-mile interstate pipeline system that transports natural gas from the Montana-Saskatchewan border near Port of Morgan, Montana to interconnecting pipelines and local distribution systems in the States of North Dakota, South Dakota, Minnesota, Iowa and Illinois. Northern Border has pipeline access to natural gas reserves in the provinces of Alberta, British Columbia and Saskatchewan, as well as the Williston Basin in the United States. The pipeline system also has access to production of synthetic gas from the Dakota Gasification Plant in North Dakota. Interconnecting pipeline facilities provide Northern Border shippers access to markets in the Midwest, as well as other markets throughout the United States by transportation, displacement and exchange agreements. Therefore, Northern Border is strategically situated to transport significant quantities of natural gas to major gas consuming markets. Based upon existing contracts and capacity, 100% of Northern Border's firm capacity (approximately 2.4 Bcf of natural gas per day) is contractually committed through October 31, 2001. In March 2000, Northern Border received FERC approval for Project 2000, an approximately \$94 million proposed expansion and extension of the pipeline system into the heavy industrial area of northern Indiana. Northern Border competes with two other interstate pipeline systems that transport gas from Canada to the Midwest.

Crude Oil Transportation Services

EOTT Energy Partners, L.P. ("EOTT"), a Delaware limited partnership, is engaged in the purchasing, gathering, transporting, trading, storage and resale of crude oil and refined petroleum products, and related activities. EOTT Energy Corp. (a wholly-owned subsidiary of Enron) serves as the general partner of EOTT. Enron owns a minority interest in EOTT. Through its North American crude oil gathering and marketing operations, EOTT purchases crude oil produced from approximately 40,000 leases in 18 states and is a purchaser of lease crude oil in Canada. EOTT provides transportation and trading services for third party purchasers of crude oil. EOTT competes with the crude oil marketing affiliates of major oil companies and with smaller independent marketers.

Electricity Transmission and Distribution Operations

Enron's electric utility operations are conducted through its wholly-owned subsidiary Portland General Electric Company ("PGE"). PGE is engaged in the generation, purchase, transmission, distribution and sale of electricity in the State of Oregon. PGE also sells energy to wholesale customers throughout the western United States. PGE's Oregon service area is approximately 3,170 square miles, including 54 incorporated cities of which Portland and Salem are the largest, within a state-approved service area allocation of 4,070 square miles. As of December 31, 1999 PGE served approximately 719,000 retail customers.

Enron and Sierra Pacific Resources announced on November 8, 1999 that they had entered into a purchase and sale agreement whereby Enron will sell PGE to Sierra Pacific Resources for \$2.1 billion, comprised of \$2.02 billion in cash and the assumption of Enron's approximately \$80 million merger payment obligation. Sierra Pacific Resources will also assume \$1 billion in PGE debt and preferred stock. The proposed transaction, which is subject to customary regulatory approvals, is expected to close in late 2000.

PGE serves a diverse retail customer base. Residential customers constitute the largest customer class and accounted for approximately 45% of the retail revenues in 1999. Residential demand is highly sensitive to the effects of weather, with revenues highest during the winter heating season. Commercial customers comprised approximately 38% and industrial customers represented approximately 17% of retail revenues in 1999. The commercial and industrial classes are not dominated by any single industry. While the 20 largest customers constituted approximately 18% of 1999 retail demand, they represented eight different industry groups including paper manufacturing, high technology, metal fabrication, general merchandising and health services. No single customer represents more than 3% of PGE's total retail load.

PGE operates within a state-approved service area and under current regulation is substantially free from direct retail competition with other electric utilities. PGE's competitors within its Oregon service territory include other fuel suppliers, such as the local natural gas company, which compete with PGE for the residential and commercial space and water heating market.

WHOLESALE ENERGY OPERATIONS AND SERVICES

Enron's wholesale business ("Enron Wholesale") includes its wholesale energy businesses around the world, as well as its new broadband services business. Enron Wholesale operates in developed markets such as North America and Europe, as well as developing or newly deregulating markets including South America, India and Japan.

Enron builds its wholesale businesses through the creation of networks involving asset ownership, contractual access to third-party assets and market-making activities. Each market in which Enron Wholesale operates utilizes these components in a slightly different manner and is at a different stage of development. This network strategy has enabled Enron Wholesale to establish a significant position in its markets. These activities are categorized into two business lines: (a) Commodity Sales and Services, and (b) Assets and Investments. Often these activities are integrated into a bundled product offering for Enron's customers.

Enron Wholesale manages its portfolio of contracts and assets in order to maximize value, minimize the associated risks and provide overall liquidity. In doing so, Enron Wholesale uses portfolio and risk management disciplines, including offsetting or hedging transactions, to manage exposures to market price movements (commodities, interest rates, foreign currencies and equities). Additionally, Enron Wholesale manages its liquidity and exposure to third party credit risk through monetization of its contract portfolio or third party insurance contracts. Enron Wholesale also sells interests in certain investments and other assets to improve liquidity and overall return.

Commodity Sales and Services. Enron Wholesale provides customers reliable delivery and predictable pricing for a range of energy commodities. Activities include the purchase, sale, marketing and delivery of natural gas, electricity, liquids and other commodities, as well as management of associated price risks. Enron acts as principal to make markets in energy commodities, and optimizes its large portfolio of energy contracts to source low cost supplies to meet customers' needs. Enron Wholesale's delivery of commodities at predictable prices is facilitated through a network of capabilities including asset ownership. Accordingly, certain assets involved in the delivery of these services are included in this business (such as intrastate natural gas pipelines, power plants and gas storage facilities).

Enron Wholesale markets, transports and provides energy commodities as reflected in the following table (including intercompany amounts):

	Year Ended December 31,		
	1999	1998	1997
Physical Volumes (BBtue/d) (a) (b)			
Gas:			
United States	8,982	7,418	7,654
Canada	4,398	3,486	2,263
Europe	1,549	1,243	660
Other	23	8	-
	14,952	12,155	10,577

Transport volumes	575	559	460
Total gas volumes	15,527	12,714	11,037
Crude oil	5,407	2,960	690
Liquids	753	610	987
Electricity(c)	10,742	11,024	5,256
Total physical volumes (BBtue/d)	32,429	27,308	17,970
Electricity volumes marketed (thousand MWh)			
United States	380,518	401,843	191,746
Europe and Other	11,143	483	100
Other	433	46	-
Total	392,094	402,372	191,846
Financial settlements (notional) (BBtue/d)	99,337	75,266	49,028

(a) Billion British thermal units equivalent per day.

(b) Includes third-party transactions by Enron Energy Services.

(c) Represents electricity volumes marketed, converted to BBtue/d.

During 1999, Enron Wholesale strengthened its position in the deregulated North American gas markets and deregulating power markets. Enron also continued to expand its presence in Europe, particularly on the Continent where wholesale markets began deregulation in early 1999. Enron Wholesale also successfully managed its overall portfolio of contracts, particularly in minimizing credit exposures utilizing third party contracts. New product offerings in coal and pulp and paper markets also added favorably to the results. In late 1999, Enron Wholesale launched an Internet-based e-commerce system, EnronOnline, which allows wholesale customers to view Enron's real time pricing and complete commodity transactions with Enron as principal, with no direct interaction. This capability has positively impacted energy volumes and transaction levels. In 1999, there was a 19% increase in Enron's physical wholesale commodity sales over 1998, with physical volumes for all commodities totaling more than 32 trillion British thermal units equivalent ("TBtue") per day. This included electricity volumes equal to 10.7 TBtue, or approximately 392.1 million megawatt hours, in 1999. In addition, financial settlements totaled approximately 99 TBtue per day.

Assets and Investments. Enron's Wholesale businesses make investments in various energy and communications-related assets as a part of its network strategy. Enron Wholesale either purchases the asset from a third party or develops and constructs the asset. In most cases, Enron Wholesale operates and manages such assets. Earnings from these investments principally result from operations of the assets or sales of ownership interests.

Additionally, Enron Wholesale invests in debt and equity securities of energy and communications-related businesses, which may also utilize Enron Wholesale's products and services. With these merchant investments, Enron's influence is much more limited relative to assets Enron develops or constructs. Earnings from these activities result from changes in the market value of the security.

Developed Markets

North America

Enron purchases, markets and delivers natural gas,

electricity and other energy commodities in North America. Customers include independent oil and gas producers, energy-intensive industrials, public and investor-owned utility power companies, small independent power producers and local distribution companies. Enron also offers a broad range of price, risk management and financing services including forward contracts, swap agreements and other contractual commitments.

Enron's strategy is to enhance the scale, scope, flexibility and speed of its North American energy network through building and acquiring strategically placed generation assets and forming alliances with customers. During 1999, Enron completed the development and construction of three single cycle gas-fired power plants in the southeastern U.S. to produce 1,300 megawatts of peaking power. An additional 1,600 megawatts of peaking capacity is under construction, scheduled for commercial operation in June 2000. These assets enable Enron to quickly produce power, enhancing Enron's ability to reliably deliver power in periods of increased demand or volatile prices.

Enron's intrastate natural gas pipelines include Houston Pipe Line Company ("HPL"), which owns a 5,269-mile pipeline in Texas which interconnects with Northern, Transwestern, Florida Gas and numerous other interstate and intrastate pipelines. HPL's intrastate natural gas transportation and storage services are subject to seasonal variation because many of its customers have weather-sensitive natural gas requirements. The Railroad Commission of Texas has jurisdiction over intrastate gas pipeline rates, operations and transactions in Texas. See "Regulation--Natural Gas Rates and Regulations." Enron's Bammel natural gas storage facility located near Houston provides approximately 58 Bcf of working capacity. This facility has the flexibility to deliver gas to the Texas market, or to the East Coast or the midwestern United States. Enron also owns an interest in Louisiana Resources Company ("LRC"), which owns a 540-mile intrastate pipeline, and the Napoleonville natural gas storage facility in Louisiana, which accesses the LRC pipeline and provides four Bcf of working capacity.

Europe

As the energy markets liberalize across Europe, Enron's strategy is to build a presence early in each key market in order to create a pan European energy business that provides similar energy service capabilities and products to those established in North America. Services include delivery of physical commodities, price risk management and financing services. At the end of 1999, Enron employed more than 1,750 people in energy marketing and power generation across continental Europe including the United Kingdom, Norway, Germany, Turkey, Poland and Italy.

Enron's entry into a market varies from country to country, including through the provision of asset infrastructure or the introduction of energy-related products and services. Enron's activity in the United Kingdom, which liberalized its energy markets in 1992, includes well-established natural gas and power marketing operations. The development, construction and operation of energy assets such as the Teesside and Sutton Bridge power plants and the acquisition of Teesside Utilities Services have contributed to the expansion of Enron's energy

marketing business in the United Kingdom.

Enron has an office in Oslo which accesses the power trading opportunities available in the Nordic region, the most open market for power trading in the Europe region. Enron provides power risk management services to regional municipalities, utilities and large industrials. Enron was appointed market maker for all base load electricity trades on the Nord Pool Nordic Power Exchange. Enron is also pursuing opportunities in continental Europe where there is a need for energy infrastructure and demand from large industrials to restructure their energy supply contracts to benefit from liberalizing gas and power markets. Enron's power and gas volumes and transactions in continental Europe are continuing to increase.

In contrast to the early stages of energy deregulation in North America where there was generally adequate infrastructure in place to produce and transport gas and power, the international energy markets have generally lacked adequate energy infrastructure, providing Enron opportunities to develop, construct and operate large energy projects. Enron has developed or is developing, owns interests in and/or operates several power plants across Europe. Enron is the turnkey contractor and will be the operator of a natural gas fired, 116-megawatt electric, 70-megawatt thermal power plant located in Nowa Sarzyna, Poland. Twenty-year power purchase agreements have been signed with the Polish power grid company for electricity and with a state-owned chemical company and the City of Nowa Sarzyna for steam. Financing was completed and construction began in early 1998, with commercial operation expected to commence in the first half of 2000. In addition, Enron is developing a 551-megawatt combined-cycle oil gasification power plant located on the island of Sardinia, Italy, and Enron will provide technical services to the plant. A 20-year power purchase agreement has been signed with ENEL, the Italian government utility, and commercial operation is anticipated in 2000. Enron also developed and operates a 478-megawatt gas-fired power plant located at Marmara, Turkey, near Istanbul. The plant supplies electricity to the state power utility under a 20-year power purchase agreement. Commercial operation commenced in June 1999. Enron is pursuing other opportunities such as joint ventures with national utilities or other energy companies in the development, operation or construction of power generation facilities across Europe, including Spain and Croatia.

Developing Markets

In many markets outside of North America and Europe, a shortage of energy infrastructure exists, providing Enron significant opportunities to develop, construct, promote and operate natural gas pipelines, power plants and other energy infrastructure. In these markets, Enron's strategy is to facilitate completion of vital energy assets and investments that will connect areas of energy supply to areas where energy is consumed. By creating energy networks, Enron seeks to provide reliable delivery of physical energy commodities and develop risk management and financing services to wholesale customers in key international regions. Enron has developed regional wholesale energy businesses around its international asset base in both South America and in India and continues to pursue a range of energy infrastructure opportunities outside of North America and Europe.

Enron's energy infrastructure projects are, to varying degrees, subject to all the risks associated with project development, construction and financing in foreign countries, including without limitation, the receipt of permits and consents, the availability of project financing on acceptable terms, expropriation of assets, renegotiation of contracts with foreign governments and political instability, as well as changes in laws and policies governing operations of foreign-based businesses generally.

India

In India, Enron's strategy is to deliver natural gas to the west coast of India to fuel Enron's own gas-fired power plants as well as to deliver natural gas to the industrial regions further north in India and to new power plants expected to be constructed in southern India.

In connection with a Power Purchase Agreement between Dabhol Power Company, Enron's 60%-owned subsidiary, and the Maharashtra State Electricity Board (the "MSEB"), Dabhol Power Company has constructed Phase I of an electricity generating power plant south of Mumbai, State of Maharashtra, India. The power plant has an initial capacity of 826 megawatts (gross) (Phase I), which began commercial operations in May 1999. Enron is the fuel manager and operator of the plant, which provides electricity for the growing Maharashtra State economy.

Enron is currently developing Phase II of the Dabhol power project, a 1,624-megawatt (gross) combined-cycle power plant to be fueled by natural gas. A 20-year power purchase agreement has been signed with the MSEB. Financing of Phase II is completed, with commercial operations expected to commence in late 2001. Phase II will include construction of a liquefied natural gas (LNG) terminal and harbor, which will be capable of handling LNG to fuel both the Dabhol power project and for additional natural gas demand in India.

South America

Enron is participating in the development of a comprehensive energy network to connect South America energy supplies to markets with growing energy demands.

In South America, Enron owns, operates or is developing several pipeline and power projects. Enron owns a 35% interest in Transportadora de Gas del Sur ("TGS") in Argentina. The 4,104-mile pipeline system has a capacity of approximately 1.9 Bcf per day and primarily serves four distribution companies in the greater Buenos Aires area under long-term, firm transportation contracts.

Enron has a 25% interest in Transredes Transporte de Hidrocarburos S.A. ("Transredes"), an approximately 3,570-mile system of natural gas, crude oil and products pipelines located in Bolivia and connecting Bolivian oil and gas reserves to major markets in Bolivia. Transredes' existing pipeline operations are being upgraded and the capacity of the pipeline system is increasing to 4.3 Bcf per day to supply market needs primarily in eastern Brazil.

Enron developed, along with Petrobras, the national oil and gas company of Brazil, and others, a pipeline which will

connect with Transredes in Bolivia and transport natural gas to markets in Brazil. The pipeline project includes an approximately 1,864-mile natural gas pipeline from Santa Cruz, Bolivia to Porto Alegre, Brazil. Enron currently owns (including through its ownership interest in Transredes) 29.75% of the Bolivian segment of the pipeline and 7% of the Brazilian segment of the pipeline. Commercial operation of the first phase of the pipeline commenced in mid-1999.

Enron is developing a 480-megawatt combined-cycle power plant at Cuiaba in the State of Mato Grosso in western Brazil to feed power into the Brazilian energy grid in Cuiaba, at a strategic delivery point having few existing alternate generation sources. Commercial operations of Phase I of the project (150 megawatts) commenced in early 1999. Commercial operations of Phase II (additional 150 megawatts) and Phase III (additional 180 megawatts) are expected to commence in late 2000 or early 2001. As an additional part of this project, Enron is developing an approximately 385-mile, 18-inch natural gas pipeline connecting to the Bolivia to Brazil pipeline in Bolivia. Including its ownership interest through Transredes, Enron owns 55.75% of the power plant, 53.125% of the Brazilian segment of the pipeline and 35% of the Bolivian segment of the pipeline.

Enron has an interest in the Rio de Janeiro municipal gas distribution company, the gas distribution company of the State of Rio de Janeiro and natural gas distribution systems in seven other Brazilian states. These systems encompass an area with a population of approximately 55 million people. Through these ownership interests, Enron has long-term franchises for gas distribution in the largest gas consuming regions in Brazil.

Enron has a majority ownership interest in Elektro-Eltricidade e Servicos S.A. ("Elektro"). Elektro has a 51,000-mile transmission system for the distribution of electricity to approximately 1.5 million consumers throughout 228 municipalities in the State of Sao Paulo, and a number of other municipalities in the State of Mato Grosso do Sul, Brazil.

Other

As a result of its development, construction and energy marketing activities, Enron owns or operates various other energy assets and investments, including the following:

Enron has an interest in a 507-megawatt combined-cycle power plant, including a liquefied natural gas terminal and desalination facility, under construction in Penuelas, Puerto Rico. Enron is the operator of the project, which includes a 22-year power purchase agreement with the Puerto Rico Electric Power Authority. Commercial operations are expected to commence in the second half of 2000.

Certain of Enron's operations in the Caribbean area are conducted through Enron Americas, Inc. and its subsidiary companies. Enron Americas' subsidiary Industrias Ventane, organized in 1953, operates the leading natural gas liquids transportation and distribution business in Venezuela. Enron has a natural gas distribution system in Puerto Rico, and liquid fuels businesses in both Puerto Rico and Jamaica.

Enron operates a 185-megawatt barge-mounted combined-

cycle power plant at Puerto Plata on the north coast of the Dominican Republic. The plant began operation in January 1996. Power is sold pursuant to a 19-year power purchase agreement with the Dominican Republic government utility. In addition, in October 1999 Enron acquired a 17% interest in an electric generating company in the Dominican Republic which has a capacity of approximately 329 megawatts.

Enron has a 50% interest in an approximately 110-megawatt fuel-oil-fired diesel engine power plant mounted on two movable barges at Puerto Quetzal on Guatemala's Pacific Coast. The U.S. flagged vessels went into commercial operation in February 1993, and sell all of their power output under a long-term contract to a large Guatemalan electric utility, a majority interest in which is owned by Guatemala's national electric utility.

Enron has a 51% interest in the 355-megawatt Bahia Las Minas power plant near Colon, Panama. Plant capacity is sold to local distribution companies through five-year power purchase agreements.

Enron has a 50% interest in an approximately 357-mile natural gas pipeline which runs from the northern coast of Colombia to the central region of the country. Ecopetrol, the state-owned gas company of Colombia, is the sole customer for the transportation services under a 15-year contract.

Enron has an interest in an approximately 80-megawatt baseload diesel power plant located in Piti, Guam. The project includes a 20-year power purchase agreement with the Guam Power Authority, an agency of the Guam government. Operations commenced in early 1999.

Enron currently has interests in two power plants in the Philippines. The Batangas power project, owned 100% by Enron, is an approximately 110-megawatt fuel-oil-fired diesel engine plant located at Pinamucan, Batangas, on Luzon Island, which began commercial operation in July 1993. The Subic Bay power project, owned 50% by Enron, is an approximately 116-megawatt fuel-oil-fired diesel engine plant located at the Subic Bay Freeport complex on Luzon Island, which began commercial operation in February 1994. Both projects were developed by Enron and sell power to the National Power Corporation of the Philippines.

Enron has a 100% interest in an approximately 160-megawatt diesel combined-cycle power plant on Hainan Island, a special economic trade zone off the southeastern coast of China. The independent power project is the first such project developed by a U.S. company in China. An Enron affiliate is operator and fuel manager.

Enron opened an office in Australia in late 1998 and is offering similar commodity, risk management and finance services as those provided to the North American and European power markets. Enron is also pursuing a similar strategy in Japan and expects to open an office in Japan in 2000.

In addition to the projects referenced above, Enron is involved in projects in varying stages of development in Europe, Mozambique, Nigeria, South Korea and Saudi Arabia, and is pursuing projects elsewhere.

Enron Broadband Services

Enron Broadband Services is currently developing the Enron Intelligent Network ("EIN"), a high capacity, global fiber optic network with a distributed server architecture, to provide services to the broadband market. It is anticipated that broadband (or high bandwidth) applications will be an area of growth in the internet industry, as well as a platform for growth in e-commerce. Enron's services include (i) bandwidth management and intermediation services and (ii) high quality content delivery services.

The EIN consists of a high capacity fiber optic network based on ownership or contractual access to approximately 14,000 miles of fiber optics throughout the United States, with a distributed server architecture. The EIN currently connects to most major U.S. cities and is anticipated to be linked to Tokyo and several other major European cities during 2000. At December 31, 1999, the EIN included over 200 large capacity servers in 30 locations throughout the United States. Enron anticipates that the scope and reach of the EIN will be increased significantly during 2000.

The EIN's fiber and satellite distribution and imbedded software intelligence bypasses traditional fragmented and congested public internet routes to deliver faster, higher quality data. Enron's Broadband Operating System provides the intelligence to the EIN and connects to all physical and software network elements. The Enron Broadband Operating System is being developed to provide network control of routing, bandwidth reservation services, metering, tiered quality of service and management of applications that are accessed over the EIN. As a result, the EIN allows Enron to provide high quality content delivery services for content providers and to contract for firm bandwidth delivery commitments to support Enron's developing bandwidth intermediation business.

Similar to its wholesale energy businesses, Enron acts as principal in its bandwidth transactions and makes markets for bandwidth capacity. Enron aggregates bandwidth supplies from multiple counterparties and, from its portfolio of bandwidth contracts, provides flexible, low cost bandwidth management products to its customers. Enron believes that customers will be able to reduce costs by paying for only the bandwidth they use, at prices that reflect the current market. Enron completed the first bandwidth transaction in December 1999, a monthly incremental contract for bandwidth between New York City and Los Angeles. Enron is currently developing standardized terms and conditions to allow for efficient commodity trading of bandwidth. Enron's plans for the bandwidth capacity market include risk management products, structured finance and bandwidth portfolio management to the broadband market.

Enron believes that applying its skills developed in the merchant energy services market to the developing bandwidth market can result in operating efficiencies to Enron and other participants in this market. Development of bandwidth as a commodity will be dependent, among other things, on the ability of the industry to develop and measure quality of service benchmarks and connectivity of networks of market participants to facilitate processing of contracted services. There can be no assurance that such a market will develop.

Enron provides premium broadband delivery services to media and entertainment, financial services, general enterprise and technology companies. The transportation of rich media, including live and on-demand streaming video over the EIN, significantly enhances the quality and speed to end-users from that provided by the public internet. Enron has expanded its sales force to capture the developing streaming broadband media delivery services market. In addition to streaming broadband services, Enron is providing complementary video file transfer, and data management services and data, storage and archival services.

RETAIL ENERGY SERVICES

Enron Energy Services ("Energy Services") is a nationwide provider of energy outsourcing products and services to business customers. This includes sales of natural gas, electricity and energy management services directly to commercial and industrial customers, as well as investments in related businesses. Energy Services provides end-users with a broad range of energy products and services to reduce total energy costs. These products and services include delivery of natural gas and power, energy tariff and information management, demand-side services to reduce energy consumption and financial services, including price risk management.

Energy Services' products and services help commercial and industrial businesses understand how they can maximize total energy savings while meeting their operational needs. With a focus on total energy savings and nationwide commodity, services and finance capabilities, Energy Services provides outsourcing and other innovative programs not only to supply electricity and natural gas to businesses, but also to manage unregulated energy assets to reduce their energy consumption, delivery and billing costs, to eliminate inefficiencies of decentralized systems and to minimize the risk of energy prices and operations to the customer.

OTHER ENRON BUSINESSES

Formed in January 1998, Azurix Corp. is a global water company engaged in the business of owning, operating and managing water and wastewater assets, providing water and wastewater related services and developing and managing water resources. Enron owns a 50% voting interest in Atlantic Water Trust, which currently owns approximately 67% of Azurix common stock, with public stockholders owning the remainder. Azurix's largest asset is Wessex Water Ltd, a water and wastewater company based in southwestern England. Other assets include: a 30-year water and wastewater concession in the Province of Buenos Aires, Argentina; interests in long-term water and wastewater concessions in the Province of Mendoza, Argentina and in Cancun, Mexico; and Azurix North America, a water and wastewater services company, formerly the businesses of Philip Utilities Management Corporation, with operations in nine U.S. states and five Canadian provinces, which has been expanded by subsequent acquisitions and contract awards.

Enron is pursuing clean energy solutions in North America and Europe through Enron Wind Corp. Enron Wind is an integrated manufacturer and developer of wind power, providing power plant design and engineering, project development, and operations and maintenance services. Enron

Wind also designs and manufactures wind turbines in California and Germany.

REGULATION

General

Enron's interstate natural gas pipeline companies are subject to the regulatory jurisdiction of the FERC under the Natural Gas Act ("NGA") with respect to rates, accounts and records, the addition of facilities, the extension of services in some cases, the abandonment of services and facilities, the curtailment of gas deliveries and other matters. Enron's intrastate pipeline companies are subject to state and some federal regulation. Enron's importation of natural gas from Canada is subject to approval by the Office of Fossil Energy of the Department of Energy ("DOE"). Certain activities of Enron are subject to the Natural Gas Policy Act of 1978 ("NGPA"). Enron's pipelines which carry natural gas liquids and refined petroleum products are subject to the regulatory jurisdiction of the FERC under the Interstate Commerce Act as to rates and conditions of service.

Enron's power marketing companies are subject to the FERC's regulatory jurisdiction under the Federal Power Act ("FPA") with respect to rates, terms and conditions of service and certain reporting requirements. Certain of the power marketing companies' exports of electricity are subject to approval by the DOE. Enron's affiliates involved in cogeneration and independent power production are subject to regulation by the FERC under the Public Utility Regulatory Policies Act ("PURPA") and the FPA with respect to rates, the procurement and provision of certain services and operating standards.

The regulatory structure that has historically applied to the natural gas and electric industry is in transition. Legislative and regulatory initiatives, at both federal and state levels, are designed to supplement regulation with increasing competition. Legislation to restructure the electric industry is under active consideration on both the federal and state levels. Proposed federal legislation would make the electric industry more competitive by providing retail electric customers with the right to choose their power suppliers. Modifications to PURPA and the Public Utility Holding Company Act of 1935 ("PUHCA") have also been proposed. In addition, new technology and interest in self-generation and cogeneration have provided opportunities for alternative sources and supplies of energy. Retention of existing customers and potential growth of Enron's customer base will depend, in part, upon the ability of Enron to respond to new customer expectations and changing economic and regulatory conditions.

Domestic legislation affecting the oil and gas industry is under constant review for amendment or expansion. Also, numerous departments and agencies, both federal and state, are authorized by statute to issue and have issued rules and regulations which, among other things, require permits for the drilling of wells, regulate the spacing of wells, prevent the waste of natural gas and crude oil resources through proration, require drilling bonds and regulate environmental and safety matters. The regulatory burden on the oil and gas industry increases its cost of doing business and, consequently, affects its ability to compete

and profitability.

Various federal, state and local laws and regulations covering the discharge of materials into the environment, or otherwise relating to the protection of the environment, may affect Enron's operations and costs through their effect on oil and gas exploration, development and production operations as well as their effect on the construction, operation and maintenance of pipeline and terminaling facilities. It is not anticipated that Enron will be required in the near future to expend amounts that are material in relation to its total capital expenditures program by reason of environmental laws and regulations, but inasmuch as such laws and regulations are frequently changed, Enron is unable to predict the ultimate cost of compliance.

Enron's international operations are subject to the jurisdiction of numerous governmental agencies in the countries in which its projects are located, with respect to environmental and other regulatory matters. Generally, many of the countries in which Enron does and will do business have recently developed or are in the process of developing new regulatory and legal structures to accommodate private and foreign-owned businesses. These regulatory and legal structures and their interpretation and application by administrative agencies are relatively new and sometimes limited. Many detailed rules and procedures are yet to be issued. The interpretation of existing rules can also be expected to evolve over time. Although Enron believes that its operations are in compliance in all material respects with all applicable environmental laws and regulations in the applicable foreign jurisdictions, Enron also believes that the operations of its projects eventually may be required to meet standards that are comparable in many respects to those in effect in the United States and in countries within the European Community. In addition, as Enron acquires additional projects in various countries, it will be affected by the environmental and other regulatory restrictions of such countries.

Natural Gas Rates and Regulations

Northern, Transwestern, Florida Gas and Northern Border are "natural gas companies" under the NGA and, as such, are subject to the jurisdiction of the FERC. The FERC has jurisdiction over, among other things, the construction and operation of pipeline and related facilities used in the transportation, storage and sale of natural gas in interstate commerce, including the extension, expansion or abandonment of such facilities. The FERC also has jurisdiction over the rates and charges for the transportation of natural gas in interstate commerce and the sale by a natural gas company of natural gas in interstate commerce for resale. Northern, Transwestern, Florida Gas and Northern Border hold the required certificates of public convenience and necessity issued by the FERC authorizing them to construct and operate all of their pipelines, facilities and properties for which certificates are required in order to transport and sell natural gas for resale in interstate commerce.

As necessary, Northern, Transwestern, Florida Gas and Northern Border file applications with the FERC for changes in their rates and charges designed to allow them to recover substantially all their costs of providing service to

transportation customers, including a reasonable rate of return. These rates are normally allowed to become effective after a suspension period, and in certain cases are subject to refund under applicable law, until such time as the FERC issues an order on the allowable level of rates.

Since 1985, the FERC has made natural gas transportation more accessible to gas buyers and sellers on an open and non-discriminatory basis. These efforts have significantly altered the marketing and pricing of natural gas. The FERC's Order No. 636, issued in April 1992, mandated a fundamental restructuring of interstate pipeline sales and transportation services. Northern, Transwestern and Florida Gas have implemented the service restructuring required by such orders by unbundling their sales service, implementing certain tariff changes, and establishing a straight fixed variable rate design to recover fixed costs, including return on equity, in the demand component of their rates.

Enron believes that, overall, Order No. 636 has had a positive impact on Enron and the natural gas industry as a whole. The structural changes mandated by Order No. 636 have resulted in a more competitive industry. The rate design included in Order No. 636 allows pipelines to recover in the demand component of their rates all fixed costs, including income taxes and return on equity, allocated to firm customers. Since a pipeline recovers demand costs regardless of whether gas is ever transported, the straight fixed variable rate design has reduced the volatility of the revenue stream to pipelines.

The FERC's Order No. 637 (issued February 9, 2000), among other things, imposes additional reporting requirements, requires changes to make pipeline and secondary market services more comparable, removes the price caps on secondary market capacity for a period of two years, allows rates to be based on seasonal or term differentiated factors and narrows the applicability of the regulatory right of first refusal to apply only to maximum rate contracts. Enron believes that, overall, this lesser regulation of the secondary market will have a positive effect on the pipelines and on the industry in general.

The rates at which natural gas is sold in Texas to gas utilities serving customers within an incorporated area are subject to the original jurisdiction of the Railroad Commission of Texas. The rates set by city councils or commissions for gas sold within their jurisdiction may be appealed to the Railroad Commission. Regulation of intrastate gas sales and transportation by the Railroad Commission is governed by certain provisions of the Texas Gas Utility Regulatory Act of 1983. The Railroad Commission also regulates production activities and to some degree the operation of affiliated special marketing programs.

Electric Industry Regulation

Historically, the electric industry has been subject to comprehensive regulation at the federal and state levels. The FERC regulated sales of electric power at wholesale and the transmission of electric energy in interstate commerce pursuant to the FPA. The FERC subjected public utilities under the FPA to rate and tariff regulation, accounting and reporting requirements, as well as oversight of mergers and acquisitions, securities issuances and dispositions of

facilities. States or local authorities have historically regulated the distribution and retail sale of electricity, as well as the construction of generating facilities.

Enacted in 1978, PURPA created opportunities for independent power producers, including cogenerators. If a generating project obtained the status of a "Qualifying Facility," it was exempted by PURPA from most provisions of the FPA and certain state laws relating to securities, rate and financial regulation. PURPA also required electric utilities (i) to purchase electricity generated by Qualifying Facilities at a price based on the utility's avoided cost of purchasing electricity or generating electricity itself, and (ii) to sell supplementary, back-up, maintenance and interruptible power to Qualifying Facilities on a just and reasonable and non-discriminatory basis.

PUHCA subjects certain entities that directly or indirectly own, control or hold the power to vote 10% of the outstanding voting securities of a "public utility company" or a company which is a "holding company" of a public utility company to registration requirements of the Securities and Exchange Commission ("SEC") and regulation under PUHCA, unless the entity is eligible for an exemption or has been granted an SEC order declaring the entity not to be a holding company. Affiliates, or direct or indirect holders of 5% of the voting securities of such companies, are also subject to regulation under PUHCA unless so eligible for an exemption or SEC order. PUHCA requires registration for a holding company of a public utility company, and requires a public utility holding company to limit its operations to a single integrated utility system and to divest any other operations not functionally related to the operation of the utility system. A public utility company which is a subsidiary of a registered holding company under PUHCA is subject to financial and organizational regulation, including SEC approval of its financing transactions.

The Energy Policy Act of 1992 ("EP Act") exempted from some traditional federal utility regulation generators selling power at wholesale in an effort to enhance competition in the wholesale generation market. The EP Act also authorized FERC to require utilities to transport and deliver or "wheel" energy for the supply of bulk power to wholesale customers.

Recent FERC regulatory initiatives are changing the electric power industry. In April 1996, FERC paved the way for the transition to more competitive electric markets by issuing its Order Nos. 888 and 889. Order No. 888 required utilities to provide third parties wholesale open access to transmission facilities on terms comparable to those that apply when utilities use their own systems. Utilities were required by the order to file open access tariffs in July 1996. Power pools, which are associations of interconnected electric transmission and distribution systems that have an agreement for integrated and coordinated operations, were directed to file their open access tariffs by the end of 1996. These tariffs enable eligible parties to obtain wholesale transmission service over utilities' transmission systems. In Order No. 888, FERC stated its intention to permit utilities to recover legitimate, verifiable and prudently incurred costs that are rendered uneconomic or "stranded" as a result of customers taking advantage of wholesale open access to meet their power needs from others.

In Order No. 889, FERC required utilities owning transmission facilities to adopt procedures for an open access same-time information system ("OASIS") that will make available, on a real-time basis, pertinent information concerning each transmission utility's services. The order also promulgated standards of conduct to ensure that utilities separate their transmission functions from their wholesale power merchant functions and to prevent the misuse of commercially valuable information. In March 1997 FERC issued its orders on rehearing of Order Nos. 888 and 889. In these orders FERC upheld the basic open access and OASIS regulatory framework established in Order Nos. 888 and 889, while making certain modifications to its open access and stranded cost recovery rules.

Congress is considering legislation to modify federal laws affecting the electric industry. Bills have been introduced in the Senate and the House of Representatives that would, among other things, open wholesale electric markets to greater competition and/or provide retail electric customers with the right to choose their power suppliers. Modifications to PURPA and PUHCA have also been proposed. In addition, various states have either enacted or are considering legislation designed to deregulate the production and sale of electricity. Deregulation is expected to result in a shift from cost-based rates to market-based rates for electric energy and related services. Although the legislation and regulatory initiatives vary, common themes include the availability of market pricing, retail customer choice, recovery of stranded costs, and separation of generation assets from transmission, distribution and other assets. It is unclear whether or when all power customers will obtain open access to power supplies. Decisions by regulatory agencies may have a significant impact on the future economics of the power marketing business.

The Oregon Public Utility Commission ("OPUC"), a three-member commission appointed by the Governor of Oregon, approves PGE's retail rates and establishes conditions of utility service. The OPUC ensures that prices are fair and equitable and provides PGE an opportunity to earn a fair return on its investment. In addition, the OPUC regulates the issuance of securities and prescribes the system of accounts to be kept by Oregon utilities. PGE is also subject to the jurisdiction of the FERC with regard to the transmission and sale of wholesale electric energy, licensing of hydroelectric projects and certain other matters. Construction of new generating facilities requires a permit from Oregon Energy Facility Siting Counsel.

Environmental Regulations

Enron and its subsidiaries are subject to extensive federal, state and local laws and regulations covering the discharge of materials into the environment, or otherwise relating to the protection of the environment, and which require expenditures for remediation at various operating facilities and waste disposal sites, as well as expenditures in connection with the construction of new facilities. Enron believes that its operations and facilities are in general compliance with applicable environmental regulations. Environmental laws and regulations have changed substantially and rapidly over the last 20 years, and Enron anticipates that there will be continuing changes. The clear trend in environmental regulation is to place more

restrictions and limitations on activities that may impact the environment, such as emissions of pollutants, generation and disposal of wastes and use and handling of chemical substances. Increasingly strict environmental restrictions and limitations have resulted in increased operating costs for Enron and other businesses throughout the United States, and it is possible that the costs of compliance with environmental laws and regulations will continue to increase. Enron will attempt to anticipate future regulatory requirements that might be imposed and to plan accordingly in order to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance.

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), also known as the "Superfund" law, requires payments for cleanup of certain abandoned waste disposal sites, even though such waste disposal activities were undertaken in compliance with regulations applicable at the time of disposal. Under the Superfund legislation, one party may, under certain circumstances, be required to bear more than its proportional share of cleanup costs at a site where it has responsibility pursuant to the legislation, if payments cannot be obtained from other responsible parties. Other legislation mandates cleanup of certain wastes at facilities that are currently being operated. States also have regulatory programs that can mandate waste cleanup. CERCLA authorizes the Environmental Protection Agency ("EPA") and, in some cases, third parties to take actions in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. The scope of financial liability under these laws involves inherent uncertainties. Enron has entered into consent decrees with the EPA with respect to the cleanup of two Superfund sites. Enron has received requests for information from the EPA and state agencies concerning what wastes Enron may have sent to certain sites, and it has also received requests for contribution from other parties with respect to the cleanup of other sites. However, management does not believe that any costs incurred in connection with these sites (either individually or in the aggregate) will have a material impact on Enron's financial position or results of operations. (See Item 3, "Legal Proceedings").

PGE's current and historical operations are subject to a wide range of environmental protection laws covering air and water quality, noise, waste disposal, and other environmental issues. PGE is also subject to the Federal Rivers and Harbors Act of 1899 and similar Oregon laws under which it must obtain permits from the U.S. Army Corps of Engineers or the Oregon Division of State Lands to construct facilities or perform activities in navigable waters of the State. State agencies or departments which have direct jurisdiction over environmental matters include the Environmental Quality Commission, the Oregon Department of Environmental Quality, the Oregon Office of Energy and Oregon Energy Facility Siting Counsel. Environmental matters regulated by these agencies include the siting and operation of generating facilities and the accumulation, cleanup and disposal of toxic and hazardous wastes.

Water Industry Regulation

In the United States, the rates for water and wastewater services are generally subject to state and local

laws and regulation. The Safe Drinking Water Act directs the EPA to set drinking water standards for the community water supply systems in the United States. The Federal Water Pollution Control Act (the "Clean Water Act") establishes a system of standards, permits and enforcement procedures for the discharge of pollutants from industrial and municipal wastewater sources. The law requires permits for discharges from water treatment facilities and sets treatment standards for industries and wastewater treatment plants. Discharge permits issued under the Clean Water Act are subject to renewal once every five years. The economic aspects of the water industry in England and Wales is principally regulated under the provisions of the Water Act 1989, the Water Industry Act 1991 (which consolidated the Water Act 1989) and the Water Resources Act 1991. In general, most countries where Azurix has invested, or intends to consider investments, have drinking water quality and environmental laws and regulations. Azurix intends to invest in companies or projects that operate in material compliance with drinking water quality and environmental laws and regulations. However, Azurix cannot guarantee that due diligence performed by it in advance of investing in an entity will identify any or all non-compliance with environmental laws and regulations by such entities.

Other

PGE is a 67.5% owner of the Trojan Nuclear Plant ("Trojan"). The Nuclear Regulatory Commission ("NRC") regulates the licensing and decommissioning of nuclear power plants. In 1993 the NRC issued a possession-only license amendment to PGE's Trojan operating license and in early 1996 approved the Trojan Decommissioning Plan. Approval of the Trojan Decommissioning Plan by the NRC and Oregon Energy Facility Siting Counsel has allowed PGE to commence decommissioning activities, which are proceeding satisfactorily and within approved cost estimates. After receiving regulatory approval, PGE in 1999 shipped and disposed of the Trojan reactor vessel as a single package called the Reactor Vessel and Internals Removal Project. Equipment removal and disposal activities will also continue in 2000. Trojan will be subject to NRC regulation until Trojan is fully decommissioned, all nuclear fuel is removed from the site and the license is terminated. The Oregon Department of Energy also monitors Trojan.

REVENUES BY BUSINESS SEGMENT

The following table presents revenues for each business segment (in millions):

	Year Ended December 31,		
	1999	1998	1997
Transportation and Distribution			
Natural Gas and Other Products	\$ 50	\$ 16	\$ 10
Electricity	1,354	1,137	712
Transportation	592	628	649
Other Revenues	36	68	45
TOTAL	2,032	1,849	1,416
Wholesale Energy Operations and Services			
Natural Gas and Other Products	18,694	12,315	12,373
Electricity	13,733	12,714	4,376
Transportation	7	12	15
Other Revenues	3,853	2,684	1,258
TOTAL	36,287	27,725	18,022
Retail Energy Services			
Natural Gas and Other Products	653	616	651
Electricity	144	84	1
Other Revenues	1,010	372	33
TOTAL	1,807	1,072	685
Exploration and Production			
Natural Gas and Other Products	535	842	943
Other Revenues	(9)	42	(46)
TOTAL	526	884	897
Corporate and Other			
Natural Gas and Other Products	182	159	-
Electricity	7	3	12
Other Revenues	551	354	43
TOTAL	740	516	55
Intersegment Eliminations	(1,280)	(786)	(802)
Total Revenues	\$40,112	\$31,260	\$20,273

CURRENT EXECUTIVE OFFICERS OF THE REGISTRANT

Name and Age	Present Principal Position and Other Material Positions Held During Last Five Years
Kenneth L. Lay (57)	Chairman of the Board and Chief Executive Officer, Enron Corp., since February 1986.
Jeffrey K. Skilling (46)	President and Chief Operating Officer, Enron Corp., since January 1997. Chief Executive Officer and Managing Director of Enron Capital & Trade Resources Corp. ("ECT") from June 1995 to December 1996. From August 1990 to June 1995, Mr. Skilling served ECT in a variety of executive managerial positions.
Joseph W. Sutton (52)	Vice Chairman, Enron Corp., since July 1999. Chief Executive Officer, Enron International Inc., from May 1998 until July 1999. President, Enron International Inc., from January 1996 until July 1999. President and Chief Operating Officer, Enron Development Corp., from May 1995 to January 1996. Vice President, Enron Development Corp., from 1992 to 1995.
J. Clifford Baxter (41)	Chairman and Chief Executive Officer, Enron North America Corp., since June 1999. Senior Vice President, Corporate Development, Enron Corp., from January 1997 until June 1999. Managing Director, ECT, 1996; Vice President, Corporate Development, ECT, 1995-1996.
Mark A. Frevert (45)	Chairman and Chief Executive Officer of Enron Europe since March 1997. From 1993 to March 1997, Mr. Frevert served ECT in a variety of executive managerial positions.
Joseph M. Hirko (43)	Co-Chairman and Chief Executive Officer, Enron Broadband Services, Inc., formerly Enron Communications, Inc., since June 1999. Chief Executive Officer of Enron Communications, Inc. from January 1998 until June 1999. President of FirstPoint Communications (predecessor of Enron Communications, Inc.), from November 1996 to January 1998. Senior Vice President of Finance and Chief Financial Officer, Portland General Electric Company and Portland General Corp., from September 1995 to November 1996. Senior Vice President, Enron Corp., since 1997.

Stanley C. Horton (50) Chairman and Chief Executive Officer, Enron Gas Pipeline Group, since January 1997. Co-Chairman and Chief Executive Officer of Enron Operations Corp. from February 1996 to January 1997. President and Chief Operating Officer of Enron Operations Corp. from June 1993 to February 1996.

Lou L. Pai (52) Chairman of the Board and Chief Executive Officer of Enron Energy Services since March 1997. President and Chief Operating Officer of ECT from August 1995 to March 1997. From March 1993 to August 1995, Mr. Pai served ECT in a variety of executive managerial positions.

Kenneth D. Rice (41) Co-Chairman and Chief Executive Officer, Enron Broadband Services, Inc., since June 1999. Chairman and Chief Executive Officer of ECT - North America from March 1997 until June 1999. From 1993 to March 1997, Mr. Rice served ECT in a variety of executive managerial positions.

Richard B. Buy (47) Executive Vice President and Chief Risk Officer, Enron Corp., since July 1999. Senior Vice President and Chief Risk Officer, Enron Corp., from March 1999 until July 1999. Managing Director and Chief Risk Officer, ECT, from January 1998 to March 1999. Vice President and Chief Credit Officer, ECT, from August 1995 to January 1998.

Richard A. Causey (40) Executive Vice President and Chief Accounting Officer, Enron Corp., since July 1999. Senior Vice President and Chief Accounting and Information Officer, Enron Corp., from January 1997 to July 1999. Managing Director, ECT, from June 1996 to January 1997; Vice President, ECT, from January 1992 to June 1996.

James V. Derrick, Jr. (55) Executive Vice President and General Counsel, Enron Corp., since July 1999. Senior Vice President and General Counsel, Enron Corp., from June 1991 to July 1999. Partner, Vinson & Elkins from January 1977 until June 1991.

Andrew S. Fastow (38) Executive Vice President and Chief Financial Officer, Enron Corp., since July 1999. Senior Vice President and Chief Financial Officer from March 1998 to July 1999. Senior Vice President, Finance, Enron Corp., from January 1997 to March 1998. Managing Director, Retail and Treasury, ECT, from May 1995 to January 1997. Vice President, ECT, from January 1993 to May 1995.

Steven J. Kean (38) Executive Vice President and Chief of Staff, Enron Corp. since July 1999. Senior Vice President, Government Affairs, Enron Corp., from 1997 to 1999. From 1989 to 1997, Mr. Kean held a variety of management positions in Enron Corp. subsidiaries.

Mark E. Koenig (44) Executive Vice President, Investor Relations, Enron Corp., since July 1999. Senior Vice President, Investor Relations, Enron Corp., from July 1997 until July 1999. Vice President, Investor Relations, Enron Corp., from December 1992 until July 1997.

Michael S. McConnell (40) Executive Vice President, Technology, Enron Corp., since July 1999. Managing Director, ECT, and President, Houston Pipe Line Company, from July 1997 until July 1999. Vice President, ECT Europe from August 1994 until July 1997.

Jeffrey McMahon (39) Executive Vice President, Finance and Treasurer, Enron Corp., since July 1999. Senior Vice President, Finance and Treasurer, Enron Corp., from July 1998 to July 1999. Chief Financial Officer, Enron Europe, from 1994 to July 1998.

J. Mark Metts (41) Executive Vice President, Corporate Development, Enron Corp., since August 1999. Partner, Vinson & Elkins L.L.P. from January 1991 until August 1999.

Cindy K. Olson (47) Executive Vice President, Human Resources and Community Relations, Enron Corp., since September 1999. Senior Vice President, Corporate Affairs, Enron Corp., from January 1999 until September 1999. Vice President, Corporate Affairs, Enron Corp., from January 1995 until January 1999.

Item 2. PROPERTIES

Natural Gas Transmission

Enron's domestic natural gas facilities include approximately 32,000 miles of transmission lines, five underground gas storage fields and two liquefied natural gas storage facilities. Enron also owns interests in pipeline and related facilities associated with its participation and investments in jointly-owned pipeline systems.

Substantially all the transmission lines of Enron are constructed on rights-of-way granted by the apparent record owners of such property. In many instances, lands over which rights-of-way have been obtained are subject to prior liens which have not been subordinated to the right-of-way grants. In some cases, not all of the apparent record owners have joined in the right-of-way grants, but in substantially all such cases, signatures of the owners of majority interests have been obtained. Permits have been obtained from public authorities to cross over or under, or to lay facilities in or along, water courses, county roads, municipal streets and state highways, and in some instances, such permits are revocable at the election of the grantor, or, the pipeline may be required to move its facilities at its own expense. Permits have also been obtained from railroad companies to cross over or under lands or rights-of-way, many of which are also revocable at the grantor's election. Some such permits require annual or other periodic payments. In a few minor cases, property for pipeline purposes was purchased in fee.

In most cases, Enron's transmission subsidiaries have the right of eminent domain to acquire rights-of-way and lands necessary for their pipelines and appurtenant facilities.

Enron's regulator and compressor stations, clean fuel facilities and offices are located on tracts of land owned by it in fee or leased from others.

Enron is of the opinion that it has generally satisfactory title to its rights-of-way and lands used in the conduct of its businesses, subject to liens for current taxes, liens incident to operating agreements and minor encumbrances, easements and restrictions which do not materially detract from the value of such property or the interest of Enron therein or the use of such properties in such businesses.

Electric Utility Properties

PGE's principal plants and appurtenant generating facilities and storage reservoirs are situated on land owned by PGE in fee or land under the control of PGE pursuant to valid existing leases, federal or state licenses, easements, or other agreements. In some cases meters and transformers are located upon the premises of customers. The indenture securing PGE's first mortgage bonds constitutes a direct first mortgage lien on substantially all utility property and franchises, other than expressly excepted property.

Generating facilities owned by PGE are set forth in the following table:

Facility	Location	Fuel	PGE Net MW Capability
Wholly Owned:			
Faraday	Estacada, OR	Hydro	44
North Fork	Estacada, OR	Hydro	54
Oak Grove	Three Lynx, OR	Hydro	44
River Mill	Estacada, OR	Hydro	25
Pelton	Madras, OR	Hydro	108
Round Butte	Madras, OR	Hydro	300
Bull Run	Bull Run, OR	Hydro	22
Sullivan	West Linn, OR	Hydro	16
Beaver	Clatskanie, OR	Gas/Oil	500
Coyote Springs	Boardman, OR	Gas/Oil	241
Jointly Owned:			
Boardman	Boardman, OR	Coal	348
Colstrip 3 & 4	Colstrip, MT	Coal	296
			1,998

PGE holds licenses under the Federal Power Act for its hydroelectric generating plants as well as licenses from the State of Oregon for all or portions of five of the plants. All of its licenses expire during the years 2001 to 2006. The FERC requires that a notice of intent to relicense these projects be filed approximately five years prior to expiration of the license.

PGE filed for relicensing of the Pelton Round Butte Project in December 1998 and in December 1999 reached a preliminary agreement that would result in shared ownership and control of the Project with the Confederated Tribes of Warm Springs over a proposed 50-year license period. PGE would remain as the operator of the Project.

PGE has reached a tentative agreement with the City of Portland, the State of Oregon, and the National Marine Fisheries Service to decommission the Bull Run Hydroelectric Project, removing the Marmot and Little Sandy Dams. The purpose of the agreement is to improve habitat for salmon, steelhead, and other fish protected by the Endangered Species Act in the Little Sandy/Bull Run watersheds. In November 1999, PGE filed with the FERC a "Notice of Intent Not to File Application for New License" when its existing federal license expires in November 2004. The regulatory approval process and dam decommissioning are expected to take approximately three years.

PGE is actively pursuing the renewal of all other licenses for its hydroelectric generating plants.

Following the 1993 closure of the Trojan nuclear plant, PGE was granted a possession-only license amendment by the NRC. In early 1996 PGE received NRC approval of its Trojan decommissioning plan.

PGE leases its headquarters complex in downtown Portland and the coal-handling facilities and certain railroad cars for the Boardman coal plant.

Domestic Power Plants

Enron's principal domestic operating power plants and appurtenant facilities are situated on land owned by Enron (or joint ventures in which Enron has an ownership interest) in fee or land under the control of Enron (or such joint ventures) pursuant to valid existing leases, licenses, easements or other agreements. Power plants in which Enron owns various interests are set forth in the following table:

Facility	Location	Fuel	Size/Capacity
Brownsville Power I, LLC	Brownsville, TN	Natural gas	500 MW
Caledonia Power I, LLC	Caledonia, MS	Natural gas	450 MW
New Albany Power I, LLC	New Albany, MS	Natural gas	390 MW
Las Vegas Cogeneration	Las Vegas, NV	Natural gas	53 MW

In addition, the following power plants are in various stages of construction or development:

Facility	Location	Fuel	Size/Capacity
Des Plaines Green Land Development LLC	Manhattan, IL	Natural gas	650 MW
Gleason Power I, LLC	Gleason, TN	Natural gas	544 MW
West Fork Land Development Company LLC	Wheatland, IN	Natural gas	514 MW
Pastoria Energy Facility	Pastoria, CA	Natural gas	750 MW
Doyle LLC	Monrose, GA	Natural gas	342 MW

International Power Plants and Pipelines

Enron's principal international operating power plants and pipelines and appurtenant facilities are (i) situated on land owned by Enron (or joint ventures in which Enron has an ownership interest) in fee or land under the control of Enron (or such joint ventures) pursuant to valid existing leases, licenses, easements or other agreements, or (ii) in the case of certain power plants, barge-mounted on vessels owned by Enron (or such joint ventures). Power plants and pipelines in which Enron owns various interests are set forth in the following table:

Facility	Location	Fuel	Size/Capacity
Power Plants:			
Trakya	Turkey	Gas	478 MW
Dabhol, Phase I	India	Gas	826 MW
Cuiaba, Phase I	Brazil	Diesel	150 MW
Puerto Plata	Dominican Republic	Fuel oil	185 MW
Haina	Dominican Republic	Fuel oil	329 MW
Puerto Quetzal	Guatemala	Gas	110 MW
Bahia Las Minas	Panama	Diesel	355 MW
Piti	Guam	Diesel	80 MW
Batangas	Philippines	Fuel oil	110 MW
Subic Bay	Philippines	Fuel oil	116 MW
Hainan Island	China	Diesel	160 MW
Pipelines:			
TGS	Argentina	-	1.9 Bcf/d; 4,104 miles

Centragas	Colombia	-	110 MMcf/d; 357 miles
Transredes	Bolivia	-	4.3 Bcf/d; 57 MMb/d; 3,570 miles

Item 3. LEGAL PROCEEDINGS

Enron is a party to various claims and litigation, the significant items of which are discussed below. Although no assurances can be given, Enron believes, based on its experience to date and after considering appropriate reserves that have been established, that the ultimate resolution of such items, individually or in the aggregate, will not have a materially adverse impact on Enron's financial position or its results of operations.

Litigation. In 1995, several parties (the Plaintiffs) filed suit in Harris County District Court in Houston, Texas, against Intratex Gas Company (Intratex), Houston Pipe Line Company and Panhandle Gas Company (collectively, the Enron Defendants), each of which is a wholly-owned subsidiary of Enron. The Plaintiffs were either sellers or royalty owners under numerous gas purchase contracts with Intratex, many of which have terminated. Early in 1996, the case was severed by the Court into two matters to be tried (or otherwise resolved) separately. In the first matter, the Plaintiffs alleged that the Enron Defendants committed fraud and negligent misrepresentation in connection with the "Panhandle program," a special marketing program established in the early 1980s. This case was tried in October 1996 and resulted in a verdict for the Enron Defendants. In the second matter, the Plaintiffs allege that the Enron Defendants violated state regulatory requirements and certain gas purchase contracts by failing to take the Plaintiffs' gas ratably with other producers' gas at certain times between 1978 and 1988. The trial court has certified a class action with respect to ratable claims. On April 30, 1999, the Texas Supreme Court granted Enron's petition for review and agreed to consider Enron's appeal of the class certification. The Enron Defendants deny the Plaintiffs' claims and have asserted various affirmative defenses, including the statute of limitations. The Enron Defendants believe that they have strong legal and factual defenses, and intend to vigorously contest the claims. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a materially adverse effect on its financial position or results of operations.

On November 21, 1996, an explosion occurred in or around the Humerto Vidal Building in San Juan, Puerto Rico. The explosion resulted in fatalities, bodily injuries and damage to the building and surrounding property. San Juan Gas Company, Inc. (San Juan), an Enron subsidiary, operated a propane/air distribution system in the vicinity. Although San Juan did not provide service to the building, the National Transportation Safety Board (NTSB) concluded that the probable cause of the incident was propane leaking from San Juan's distribution system. San Juan and Enron strongly disagree. The NTSB found no path of migration of propane from San Juan's system to the building and no forensic evidence that propane fueled the explosion. Enron, San Juan, and four San Juan affiliates have been named, along with several third parties, as defendants in numerous

lawsuits filed in U.S. District Court for the district of Puerto Rico and the Superior Court of Puerto Rico. These suits, which seek damages for wrongful death, personal injury, business interruption and property damage, allege that negligence of Enron, San Juan and its affiliates, among others, caused the explosion. Enron, San Juan and its affiliates are vigorously contesting the claims. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a materially adverse effect on its financial position or results of operations.

Trojan Investment Recovery. In early 1993, PGE ceased commercial operation of Trojan. In April 1996 a circuit court judge in Marion County, Oregon found that the OPUC could not authorize PGE to collect a return on its undepreciated investment in Trojan, contradicting a November 1994 ruling from the same court. The ruling was the result of an appeal of PGE's 1995 general rate order which granted PGE recovery of, and a return on, 87% of its remaining investment in Trojan. The 1994 ruling was appealed to the Oregon Court of Appeals and stayed pending the appeal of the OPUC's March 1995 order. Both PGE and the OPUC have separately appealed the April 1996 ruling, which appeals were combined with the appeal of the November 1994 ruling at the Oregon Court of Appeals. On June 24, 1998, the Court of Appeals of the State of Oregon ruled that the OPUC does not have the authority to allow PGE to recover a rate of return on its undepreciated investment in the Trojan generating facility. The court upheld the OPUC's authorization of PGE's recovery of its undepreciated investment in Trojan.

PGE and the OPUC each filed a petition for review with the Oregon Supreme Court. On August 26, 1998, the Utility Reform Project filed a Petition for Review with the Oregon Supreme Court seeking review of that portion of the Oregon Court of Appeals decision relating to PGE's recovery of its undepreciated investment in Trojan. On April 29, 1999, the Oregon Supreme Court accepted the petitions for review. On June 16, 1999, Oregon House Bill 3220 authorizing the OPUC to allow recovery of a return on the undepreciated investment in property retired from service was signed. One of the effects of the bill is to affirm retroactively the OPUC's authority to allow PGE's recovery of a return on its undepreciated investment in the Trojan generating facility.

Relying on the new legislation, on July 2, 1999, PGE requested the Oregon Supreme Court to vacate the June 24, 1998 adverse ruling of the Oregon Court of Appeals, affirm the validity of the OPUC's order allowing PGE to recover a return on its undepreciated investment in Trojan and to reverse its decision accepting the Utility Reform Project's petition for review. The Utility Reform Project and the Citizens Utility Board, another party to the proceeding, opposed such request and submitted to the Oregon Secretary of State sufficient signatures in support of placing a referendum to negate the new legislation on the November 2000 ballot. The Oregon Supreme Court has indicated it will defer hearing the matter until after the November 2000 elections. Enron cannot predict the outcome of these actions. Additionally, due to uncertainties in the regulatory process, management cannot predict, with certainty, what ultimate rate-making action the OPUC will take regarding PGE's recovery of a rate of return on its Trojan investment. Although no assurances can be given, Enron believes that the ultimate resolution of these matters

will not have a material adverse effect on its financial position or results of operations.

Environmental Matters. Enron is subject to extensive federal, state and local environmental laws and regulations. These laws and regulations require expenditures in connection with the construction of new facilities, the operation of existing facilities and for remediation at various operating sites. The implementation of the Clean Air Act Amendments is expected to result in increased operating expenses. These increased operating expenses are not expected to have a materially adverse effect on Enron's financial position or results of operations.

The EPA has informed Enron that it is a potentially responsible party at the Decorah Former Manufactured Gas Plant Site (the Decorah Site) in Decorah, Iowa, pursuant to the provisions of CERCLA. The manufactured gas plant in Decorah ceased operations in 1951. A predecessor company of Enron purchased the Decorah Site in 1963. Enron's predecessor did not operate the gas plant and sold the Decorah Site in 1965. The EPA alleges that hazardous substances were released to the environment during the period in which Enron's predecessor owned the site, and that Enron's predecessor assumed the liabilities of the company that operated the plant. Enron contests these allegations. To date, the EPA has identified no other potentially responsible parties with respect to this site. Under terms of administrative orders, Enron replaced affected topsoil and removed impacted subsurface soils in certain areas of the tract where the plant was formerly located. Enron completed the final removal actions at the site in November 1998, and concluded all remaining site activities in the spring of 1999. Enron has submitted a final report to the EPA on the work conducted at the site, and expenses incurred in connection with this matter were not material to its financial position or results of operations.

By order dated June 27, 1995, the Florida Department of Environmental Protection approved a remedial action plan for the Enron Gas Processing Company Brooker Plant in Bradford County, Florida. Soil and groundwater at the plant site had been impacted by historical releases of hydrocarbons from the now inactive liquids extraction plant. Site remedial work commenced in 1996 and is expected to be completed in 2000 at a total cost of approximately \$4 million, of which approximately \$3.5 million has been paid.

Enron has also received from the EPA an Order issued under CERCLA alleging that Enron and two other parties are responsible for the cost of demolition and proper disposal of two 110-foot towers that apparently had been used in the manufacture of carbon dioxide at a site called the "City Bumper Site" in Cincinnati, Ohio. The carbon dioxide plant, according to agency documents, was in operation from 1926 to 1966. Houston Natural Gas Corporation, a predecessor of Enron Corp., merged with Liquid Carbonic Industries (LCI) on January 31, 1969. Liquid Carbonic Corporation (LCC), a subsidiary of LCI, had title to the site. Twenty-eight days after the merger, on February 28, 1969, the site was sold to a third party. In 1984, LCC was sold to an unaffiliated party in a stock sale. Although Enron does not admit liability with respect to any costs at this site, it agreed to cooperate with the EPA and other potentially responsible parties to undertake the work

contemplated by EPA's Order. The tower demolition and removal activities were completed in October 1998, and a final project report has been submitted to the EPA. All activities required by the EPA Order have been completed, and Enron incurred no material expenditures in connection with this site.

Enron's natural gas pipeline companies conduct soil and groundwater remediation of a number of their facilities. In 1999, these expenses were \$2.1 million as compared with \$1.3 million in 1998. Enron does not expect to incur material expenditures in connection with soil and groundwater remediation.

In addition, Enron has received requests for information from the EPA and state environmental agencies inquiring whether Enron has disposed of materials at other waste disposal sites. Enron has also received requests for contribution from other parties with respect to the cleanup of other sites. Enron may be required to share in the costs of the cleanup of some of these sites. However, based upon the amounts claimed and the nature and volume of materials sent to sites at which Enron has an interest, management does not believe that any potential costs incurred in connection with these notices and third party claims, either taken individually or in the aggregate, will have a material impact on Enron's financial position or results of operations.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY
HOLDERS

None.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND
RELATED SHAREHOLDER MATTERS

Common Stock

On August 13, 1999, Enron effected a two-for-one common stock split on all issued common stock in the form of a stock dividend. The following table indicates the high and low sales prices for the common stock of Enron as reported on the New York Stock Exchange (consolidated transactions reporting system), the principal market in which the securities are traded, and dividends paid per share for the calendar quarters indicated (1998 and first and second quarter 1999 sales prices and dividends paid per share have been restated to reflect the stock split). The common stock is also listed for trading on the Chicago Stock Exchange and the Pacific Stock Exchange, as well as The London Stock Exchange and Frankfurt Stock Exchange.

	High	1999 Low	Dividends	High	1998 Low	Dividends
First Quarter.....	\$35 19/32	\$28 3/4	\$.1250	\$24	\$19 1/16	\$.1187
Second Quarter.....	41 15/32	30 1/2	.1250	27 5/32	22 25/32	.1187
Third Quarter.....	44 23/32	38 1/16	.1250	29 7/32	20 5/16	.1187
Fourth Quarter.....	44 7/8	34 7/8	.1250	29 3/8	24 3/4	.1250

Cumulative Second Preferred Convertible Stock

The following table indicates the high and low sales prices for the Cumulative Second Preferred Convertible Stock ("Second Preferred Stock") of Enron as reported on the New York Stock Exchange (consolidated transactions reporting system), the principal market in which the securities are traded, and dividends paid per share for the calendar quarters indicated. The Second Preferred Stock is also listed for trading on the Chicago Stock Exchange.

	High	1999 Low	Dividends	High	1998 Low	Dividends
First Quarter.....	--	--	\$3.4130	\$634	\$565	\$3.2424
Second Quarter.....	--	--	3.4130	684 13/16	622	3.2424
Third Quarter.....	--	--	3.4130	--	--	3.2424
Fourth Quarter.....	\$1,170 1/8	\$1,170 1/8	3.4130	732 1/2	718	3.4130

At December 31, 1999, there were approximately 57,895 record holders of common stock and 182 record holders of Second Preferred Stock.

Other information required by this item is set forth under Item 6 -- "Selected Financial Data (Unaudited) - Common Stock Statistics" for the years 1995-1999.

Recent Sales of Unregistered Equity Securities

On September 24, 1999, Enron issued in a private placement pursuant to Section 4(2) of the Securities Act 250,000 shares of its Mandatorily Convertible Junior Preferred Stock, Series B, to Whitewing Associates L.P., a Delaware limited partnership, in exchange for an existing series of convertible preferred stock previously issued to Whitewing Associates L.P.

Item 6. SELECTED FINANCIAL DATA (UNAUDITED)

	1999	1998	1997	1996	1995
Operating Revenues (millions)	\$40,112	\$31,260	\$20,273	\$13,289	\$ 9,189
Total Assets (millions)	\$33,381	\$29,350	\$22,552	\$16,137	\$13,239
Common Stock Statistics(a)					
Income before cumulative effect of accounting changes					
Total (millions)	\$1,024	\$703	\$105	\$584	\$520
Per share - basic	\$1.36	\$1.07	\$0.16	\$1.16	\$1.04
Per share - diluted	\$1.27	\$1.01	\$0.16	\$1.08	\$0.97
Earnings on common stock					
Total (millions)	\$827	\$686	\$ 88	\$568	\$504
Per share - basic	\$1.17	\$1.07	\$0.16	\$1.16	\$1.04
Per share - diluted	\$1.10	\$1.01	\$0.16	\$1.08	\$0.97
Dividends on common stock					
Total (millions)	\$355	\$312	\$243	\$212	\$205
Per share	\$0.50	\$0.48	\$0.46	\$0.43	\$0.41
Shares outstanding (millions)					
Actual at year-end	716	662	614	502	490
Average for the year - basic	705	642	544	492	488
Average for the year - diluted	769	695	555	540	536
Capitalization (millions)					
Short-term and long-term debt	\$ 8,152	\$ 7,357	\$ 6,254	\$3,349	\$3,065
Minority interests	2,430	2,143	1,147	755	549
Company-obligated preferred securities of subsidiaries	1,000	1,001	993	592	377
Shareholders' equity	9,570	7,048	5,618	3,723	3,165
Total capitalization	\$21,152	\$17,549	\$14,012	\$8,419	\$7,156

(a) Share and per share amounts have been restated to reflect the two-for-one stock split effective August 13, 1999.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following review of the results of operations and financial condition of Enron Corp. and its subsidiaries and affiliates (Enron) should be read in conjunction with the Consolidated Financial Statements.

RESULTS OF OPERATIONS

Consolidated Net Income

Enron's net income for 1999 was \$893 million compared to \$703 million in 1998 and \$105 million in 1997. Enron's operating segments include Transportation and Distribution (Gas Pipeline Group and Portland General), Wholesale Energy Operations and Services (Enron's North America, Europe and international energy businesses and Enron Broadband Services), Retail Energy Services (Enron Energy Services), Exploration and Production (Enron Oil & Gas Company) through August 16, 1999 (see Note 2 to the Consolidated Financial Statements), and Corporate and Other, which includes certain other businesses. Net income includes the following:

(In millions)	1999	1998	1997
After-tax results before items impacting comparability	\$ 957	\$ 698	\$ 515
Items impacting comparability: (a)			
Gains on sales of subsidiary stock	345	45	61
Charge to reflect impairment of MTBE assets	(278)	-	-
Charges to reflect losses on contracted MTBE production	-	(40)	(74)
Charge to reflect impact of amended J-Block gas contract	-	-	(463)
Gains on sales of liquids and gathering assets	-	-	66
Cumulative effect of accounting changes	(131)	-	-
Net income	\$ 893	\$ 703	\$ 105

(a) Tax affected at 35%, except where a specific tax rate applied.

Diluted earnings per share of common stock were as follows:

	1999	1998	1997
Diluted earnings per share(a):			
After-tax results before items impacting comparability	\$1.18	\$1.00	\$0.87
Items impacting comparability:			
Gains on sales of subsidiary stock	0.45	0.07	0.11
Charge to reflect impairment of MTBE assets	(0.36)	-	-
Charges to reflect losses on contracted MTBE production	-	(0.06)	(0.13)
Charge to reflect impact of			

amended J-Block gas contract	-	-	(0.78)
Gains on sales of liquids and gathering assets	-	-	0.11
Cumulative effect of accounting changes	(0.17)	-	-
Effect of anti-dilution(b)	-	-	(0.02)
Diluted earnings per share	\$1.10	\$1.01	\$0.16

- (a) Restated to reflect the two-for-one stock split effective August 13, 1999.
- (b) For 1997, the conversion of preferred shares to common shares for purposes of the diluted earnings per share calculation was anti-dilutive by \$0.02 per share. However, in order to present comparable results, per share amounts for each earnings component were calculated using 592 million shares, which assumes the conversion of preferred shares to common shares.

Income Before Interest, Minority Interests and Income Taxes

The following table presents income before interest, minority interests and income taxes (IBIT) for each of Enron's operating segments (see Note 20 to the Consolidated Financial Statements):

(In millions)	1999	1998	1997
Transportation and Distribution:			
Gas Pipeline Group	\$ 380	\$ 351	\$ 466
Portland General	305	286	114
Wholesale Energy Operations and Services	1,317	968	654
Retail Energy Services	(68)	(119)	(107)
Exploration and Production	65	128	183
Corporate and Other	(4)	(32)	(745)
Income before interest, minority interests and taxes	\$1,995	\$1,582	\$ 565

Transportation and Distribution

Transportation and Distribution consists of Enron's Gas Pipeline Group and Portland General. The Gas Pipeline Group includes Enron's interstate natural gas pipelines, primarily Northern Natural Gas Company (Northern), Transwestern Pipeline Company (Transwestern), Enron's 50% interest in Florida Gas Transmission Company (Florida Gas) and Enron's interests in Northern Border Pipeline and EOTT Energy Partners, L.P. (EOTT).

Gas Pipeline Group. The following table summarizes total volumes transported by each of Enron's interstate natural gas pipelines.

	1999	1998	1997
Total volumes transported (BBtu/d) (a)			
Northern Natural Gas	3,820	4,098	4,364
Transwestern Pipeline	1,462	1,608	1,416
Florida Gas Transmission	1,495	1,324	1,341
Northern Border Pipeline	2,405	1,770	1,800

(a) Billion British thermal units per day. Amounts reflect 100% of each entity's throughput volumes. Florida Gas and Northern Border Pipeline are unconsolidated equity affiliates.

Significant components of IBIT are as follows:

(In millions)	1999	1998	1997
Net revenues	\$626	\$640	\$665
Operating expenses	264	276	310
Depreciation and amortization	66	70	69
Equity earnings	38	32	40
Other income, net	46	25	38
IBIT before items impacting comparability	380	351	364
Gains on sales of liquids and gathering assets	-	-	102
Income before interest and taxes	\$380	\$351	\$466

Net Revenues

Revenues, net of cost of sales, of Gas Pipeline Group declined \$14 million (2%) during 1999 and \$25 million (4%) during 1998 as compared to the applicable preceding year. The decrease in net revenue in 1999 compared to 1998 was primarily a result of the expiration, in October 1998, of certain transition cost recovery surcharges, partially offset by a sale in 1999 of gas from Northern's gas storage inventory. The decrease in net revenue in 1998 compared to 1997 was primarily due to the warmer than normal winter in Northern's service territory and the reduction of transition costs recovered through a regulatory surcharge at Northern.

Operating Expenses

Operating expenses, including depreciation and amortization, of Gas Pipeline Group declined \$16 million (5%) during 1999 primarily as a result of the expiration of certain transition cost recovery surcharges. Operating expenses decreased \$33 million (9%) during 1998 primarily as a result of the reduction of transition costs at Northern and lower overhead costs.

Equity Earnings

Equity in earnings of unconsolidated equity affiliates increased \$6 million in 1999 after decreasing \$8 million during 1998 as compared to 1997. The increase in earnings in 1999 as compared to 1998 was primarily a result of higher earnings from Northern Border Pipeline and EOTT reflecting Northern Border Pipeline's expansion project and greater volumes transported by EOTT due to acquisitions made during the last year. The decrease during 1998 as compared to 1997 was primarily due to higher 1997 earnings from Citrus Corp. (Citrus), which holds Enron's 50% interest in Florida Gas. Earnings from Citrus were higher in 1997 due to a contract restructuring.

Other Income, Net

Other income, net increased \$21 million in 1999 as compared to 1998 after decreasing \$13 million in 1998 as compared to 1997. Included in 1999 was interest income earned in connection with the financing of an acquisition by EOTT, while the 1998 amount included gains of \$21 million recognized from the sale of an interest in an equity investment, substantially offset by charges related to litigation.

Portland General. Results for Portland General have been included in Enron's Consolidated Financial Statements beginning July 1, 1997. Since that date, Portland General realized IBIT as follows:

(In millions)	1999	1998	1997(a)
Revenues	\$1,379	\$1,196	\$746
Purchased power and fuel	639	451	389
Operating expenses	304	295	154
Depreciation and amortization	181	183	91
Other income, net	50	19	2
Income before interest and taxes	\$ 305	\$ 286	\$114

(a) Represents the period from July 1, 1997 through December 31, 1997.

Revenues and purchased power and fuel costs increased \$183 million and \$188 million, respectively, in 1999 as compared to 1998. Revenues increased primarily as a result of an increase in the number of customers served by Portland General. Higher purchased power and fuel costs, which increased 42% in 1999, offset the increase in revenues. Other income, net increased \$31 million in 1999 as compared to 1998 primarily as a result of a gain recognized on the sale of certain assets.

The 1998 results were impacted by a warmer than normal winter and the transfer of the majority of Portland General's electricity wholesale business to the Enron Wholesale segment, partially offset by an increase in sales to retail customers.

Statistics for Portland General are as follows:

	1999	1998	1997(a)
Electricity sales (thousand MWh) (b)			
Residential	7,404	7,101	3,379
Commercial	7,392	6,781	3,618
Industrial	4,463	3,562	2,166
Total retail	19,259	17,444	9,163
Wholesale	12,612	10,869	13,448
Total electricity sales	31,871	28,313	22,611
Resource mix			
Coal	15%	16%	10%
Combustion turbine	8	12	5
Hydro	9	9	5
Total generation	32	37	20
Firm purchases	57	56	74
Secondary purchases	11	7	6
Total resources	100%	100%	100%
Average variable power cost (Mills/KWh) (c)			
Generation	9.8	8.6	8.7
Firm purchases	23.2	17.3	18.9
Secondary purchases	19.7	23.6	13.2
Total average variable power cost	19.5	15.6	17.2

Retail customers (end of period, thousands)	719	704	685
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(a) Represents the period from July 1, 1997 through December 31, 1997.

(b) Thousand megawatt-hours.

(c) Mills (1/10 cent) per kilowatt-hour.

Outlook

The Gas Pipeline Group should continue to provide stable earnings and cash flows during 2000, including steady growth over 1999 levels. Low operating costs, competitive rates and continued expansion opportunities enable the Gas Pipeline Group to continue to be a strong, efficient competitor in all markets. Transwestern will bring 140 MMcf/d of additional supply from the San Juan Basin and West Texas into California in 2000. Florida Gas is currently the only major pipeline serving the rapidly growing peninsular Florida market where the demand for power is expected to continue to increase. Florida Gas is seeking approval from the Federal Energy Regulatory Commission (FERC) to implement two expansions over the next two years and is expected to seek approval from the FERC for a third expansion in the near future, which will increase its capacity by 950 MMcf/d to meet the expected increase in natural gas demand by power plants. Northern Border Pipeline is seeking approval from the FERC for its 545 MMcf/d expansion into Indiana which is to be completed and in service within the next year.

On November 8, 1999, Enron announced that it had entered into an agreement to sell Portland General to Sierra Pacific Resources. The proposed transaction, which is subject to regulatory approval, is expected to close in late 2000. See Note 2 to the Consolidated Financial Statements.

Wholesale Energy Operations and Services

Enron's wholesale business (Enron Wholesale) includes its wholesale energy businesses around the world, as well as its emerging broadband services business. Enron Wholesale operates in developed markets such as North America and Europe, as well as developing or newly deregulating markets including South America, India and Japan.

Enron builds its wholesale businesses through the creation of networks involving asset ownership, contractual access to third-party assets and market-making activities. Each market in which Enron Wholesale operates utilizes these components in a slightly different manner and is at a different stage of development. This network strategy has enabled Enron Wholesale to establish a leading position in its markets. These activities are categorized into two business lines: (a) Commodity Sales and Services and (b) Assets and Investments. Often these activities are integrated into a bundled product offering for Enron's customers.

Enron Wholesale manages its portfolio of contracts and assets in order to maximize value, minimize the associated risks and provide overall liquidity. In doing so, Enron Wholesale uses portfolio and risk management disciplines, including offsetting or hedging transactions, to manage exposures to market price movements (commodities, interest rates, foreign currencies and equities). Additionally, Enron Wholesale manages its liquidity and exposure to third-party credit risk through monetization of its contract portfolio or third-party insurance contracts. Enron Wholesale also sells interests in certain investments and other

assets to improve liquidity and overall return.

The following table reflects IBIT for each business line:

(In millions)	1999	1998	1997
Commodity sales and services	\$ 628	\$411	\$249
Assets and investments	850	709	565
Unallocated expenses	(161)	(152)	(160)
Income before interest, minority interests and taxes	\$1,317	\$968	\$654

The following discussion analyzes the contributions to IBIT for each business line.

Commodity Sales and Services. Enron Wholesale provides reliable commodity delivery and predictable pricing to its customers through forward contracts. This market-making activity includes the purchase, sale, marketing and delivery of natural gas, electricity, liquids and other commodities, as well as the management of Enron Wholesale's own portfolio of contracts. Enron Wholesale's market-making activity is facilitated through a network of capabilities including asset ownership. Accordingly, certain assets involved in the delivery of these services are included in this business (such as intrastate natural gas pipelines, power plants and gas storage facilities).

Enron Wholesale markets, transports and provides energy commodities as reflected in the following table (including intercompany amounts):

	1999	1998	1997
Physical volumes (BBtue/d) (a) (b)			
Gas:			
United States	8,982	7,418	7,654
Canada	4,398	3,486	2,263
Europe	1,549	1,243	660
Other	23	8	-
	14,952	12,155	10,577
Transport volumes	575	559	460
Total gas volumes	15,527	12,714	11,037
Crude oil	5,407	2,960	690
Liquids	753	610	987
Electricity(c)	10,742	11,024	5,256
Total physical volumes (BBtue/d)	32,429	27,308	17,970
Electricity volumes marketed (thousand MWh)			
United States	380,518	401,843	191,746
Europe	11,143	483	100
Other	433	46	-
Total	392,094	402,372	191,846
Financial settlements (notional, BBtue/d)	99,337	75,266	49,082

(a) Billion British thermal units equivalent per day.

(b) Includes third-party transactions by Enron Energy Services.

(c) Represents electricity volumes marketed, converted to BBtue/d.

Earnings from commodity sales and services increased \$217 million (53%) in 1999 as compared to 1998 reflecting strong results from the intermediation businesses in both North America and Europe, which include delivery of energy commodities and associated risk management products. Enron Wholesale strengthened its market share leadership position in the North American energy markets and continued to expand its presence in Europe, particularly on the Continent where wholesale markets began deregulation in early 1999. Enron Wholesale also successfully managed its overall portfolio of contracts, particularly in minimizing credit exposures utilizing third-party contracts. New product offerings in coal and pulp and paper markets also added favorably to the results. In late 1999, Enron Wholesale launched an Internet-based eCommerce system, EnronOnline, which allows wholesale customers to view Enron's real time pricing and to complete commodity transactions with Enron as principal, with no direct interaction. This capability has positively impacted transaction levels.

The earnings from commodity sales and services operations increased 65% in 1998 as compared to 1997, reflecting growing transaction levels during the period. Sales in North America increased significantly due to increased power marketing activities (over 100% increase in volumes), along with new and restructured long-term contracts. European activity declined during the year, primarily reflecting the effect of regulatory actions in the United Kingdom that impacted the market for natural gas.

Assets and Investments. Enron's Wholesale businesses make investments in various energy and communications-related assets as a part of its network strategy. Enron Wholesale either purchases the asset from a third party or develops and constructs the asset. In most cases, Enron Wholesale operates and manages such assets. Earnings from these investments principally result from operations of the assets or sales of ownership interests.

Additionally, Enron Wholesale invests in debt and equity securities of energy and communications-related businesses, which may also utilize Enron Wholesale's products and services. With these merchant investments, Enron's influence is much more limited relative to assets Enron develops or constructs. Earnings from these activities result from changes in the market value of the security. See Note 4 to the Consolidated Financial Statements for a summary of these investments.

Earnings from assets and investments increased \$141 million (20%) in 1999 as compared to 1998. During 1999, earnings from Enron Wholesale's energy-related assets increased, reflecting the operation of the Dabhol Power Plant in India, ownership in Elektro Eletricidade e Servicos S.A. (Elektro), a Brazilian electric utility (see Note 2 to the Consolidated Financial Statements) and assets in various other developing markets. Enron Wholesale's merchant investments increased in value during the year due to the expansion into certain communications investments, partially offset by a decline in the value of certain energy investments. In addition, Enron Wholesale's 1999 earnings increased due to activities related to building and optimizing its broadband fiber network, while gains on sales of energy assets declined.

Earnings from assets and investments increased 25% in 1998 as compared to 1997. This increase reflects earnings from the sale of interests in certain energy assets including power projects in

Puerto Rico, Turkey, Italy and the United Kingdom, from which Enron Wholesale realized the value created during the development and construction phases. Increased development costs in emerging markets and lower earnings from merchant investments partially offset such increase. Some of these transactions involved securitizations in which Enron retained certain interests associated with the underlying assets.

Unallocated Expenses. Net unallocated expenses include rent, systems expenses and other support group costs.

Outlook

Enron Wholesale plans to continue to expand its networks in each of its key energy markets, as well as the market for broadband services. Worldwide energy markets continue to grow as governments implement deregulation or privatization plans. The market for broadband services is expected to increase significantly as demand increases for high bandwidth applications such as video. Enron will continue to purchase or develop selected assets to expand its networks, as well as grow its portfolio of contracts providing access to third-party assets. The combination of growing markets and Enron Wholesale's highly developed market-making skills should continue to enhance market opportunities globally for Enron over the next several years.

As a result, Enron anticipates continued growth in Enron Wholesale during 2000. In the commodity sales and services business, volumes are expected to continue to increase as Enron Wholesale increases its transaction volume in the growing unregulated U.S. power market and in the rapidly expanding European gas and power markets. In addition, EnronOnline is expected to significantly add to transaction volume and profit opportunities in the coming year. In the assets and investments business, Enron Wholesale expects to continue to benefit from opportunities related to its assets and investments, including sales or restructurings of appreciated investments, and in providing capital to energy-intensive customers. Equity earnings from operations are expected to increase as a result of commencement of commercial operations of new power plants and pipeline projects in early 2000. At December 31, 1999, Enron Wholesale's domestic and international projects under construction included approximately 2,300 miles of pipelines and eleven power plants with a combined capacity of approximately 5,700 megawatts, in which Enron owns various interests.

Earnings from Enron Wholesale are dependent on the origination and completion of transactions, some of which are individually significant and which are impacted by market conditions, the regulatory environment and customer relationships. Enron Wholesale's transactions have historically been based on a diverse product portfolio, providing a solid base of earnings. Enron's strengths, including its ability to identify and respond to customer needs, access to extensive physical assets and its integrated product offerings, are important drivers of the expected continued earnings growth. In addition, significant earnings are expected from Enron Wholesale's commodity portfolio and investments, which are subject to market fluctuations. External factors, such as the amount of volatility in market prices, impact the earnings opportunity associated with Enron Wholesale's business. Risk related to these activities is managed using naturally offsetting transactions and hedge transactions. The effectiveness of Enron's risk management activities can have a material impact on future earnings. See "Financial Risk Management" for a discussion of market risk related to Enron Wholesale.

Retail Energy Services

Enron Energy Services (Energy Services) is extending Enron's energy expertise and capabilities to end-use retail customers in the industrial and commercial business sectors to manage their energy requirements and reduce total energy costs. During 1999, Energy Services continued to expand its presence in the United States and entered the international market by setting up operations in Europe and establishing organizations in South America, Mexico and Canada.

Energy Services provides natural gas, electricity, liquids and other commodities to industrial and commercial customers located throughout the United States and the United Kingdom. In deregulated locations, Energy Services may either supply commodities directly to its customers or have the local utilities supply customers in a manner similar to regulated locations. Energy Services also provides outsourcing solutions to customers for full energy management. This integrated product includes the management of commodity delivery, energy information and energy assets, and may include price risk management activities.

Energy Services recognized losses before interest, minority interests and taxes of \$68 million, \$119 million and \$107 million for 1999, 1998 and 1997, respectively. The results primarily reflect the costs associated with developing the commodity, capital and services capability to deliver on contracts signed to date. These costs were partially offset by increased earnings from higher gas and power sales in 1999 resulting from the origination of new contracts and from outsourcing contracts for energy management services signed in 1999.

Outlook

During 2000, Energy Services anticipates continued growth in the demand for retail energy outsourcing solutions, both domestically and internationally. Energy Services will deliver these services to its existing customers, while continuing to expand its commercial and industrial customer base for total energy outsourcing. Energy Services also plans to continue integrating its service delivery capabilities, focusing on the development of best practices, nationwide procurement opportunities and efficient use of capital.

Exploration and Production

Enron's exploration and production operations have been conducted by Enron Oil & Gas Company (EOG). The operating results of this segment reflect activity through August 16, 1999, the date of the share exchange transaction with EOG (see Note 2 to the Consolidated Financial Statements).

Exploration and Production's 1999 IBIT of \$65 million reflected increased depreciation, depletion and amortization and operating expenses for the period through August 16, 1999, partially offset by decreased exploration expenses. Exploration and Production's 1998 IBIT decreased \$55 million as compared to 1997 primarily as a result of decreased wellhead natural gas, crude oil and condensate prices, higher operating and exploration expenses and depreciation, depletion and amortization, partially offset by increased production volumes.

Corporate and Other

Corporate and Other includes results of Azurix Corp., which provides water and wastewater services, Enron Renewable Energy Corp. (EREC), which develops and constructs wind-generated power projects, and the operations of Enron's methanol and MTBE plants. Significant components of IBIT are as follows:

(In millions)	1999	1998	1997
IBIT before items impacting comparability	\$ (17)	\$ 7	\$ (31)
Items impacting comparability:			
Gain on sale of 7% of Enron Energy Services shares	-	-	61
Gains on exchange and sales of Enron Oil & Gas Company stock	454	22	-
Charge to reflect losses on contracted MTBE production	-	(61)	(100)
Charge to reflect impairment of MTBE assets	(441)	-	-
Charge to reflect impact of amended J-Block gas contract	-	-	(675)
Income before interest, minority interests and taxes	\$ (4)	\$ (32)	\$ (745)

Results for Corporate and Other in 1999 were impacted by higher corporate expenses, partially offset by increased earnings from EREC resulting from increased sales volumes from its German manufacturing subsidiary and from the completion and sale of certain domestic wind projects. Enron also recognized higher earnings related to Azurix.

Results in 1998 were favorably impacted by increases in the market value of certain corporate-managed financial instruments, partially offset by higher corporate expenses.

Items impacting comparability in 1999 include a pre-tax gain of \$454 million on the exchange and sale of Enron's interest in EOG (see Note 2 to the Consolidated Financial Statements) and a \$441 million pre-tax charge for the impairment of its MTBE assets (see Note 17 to the Consolidated Financial Statements).

During 1998, Enron recognized a pre-tax gain of \$22 million on the delivery of 10.5 million shares of EOG stock held by Enron as repayment of mandatorily exchangeable debt. Enron also recorded a \$61 million charge to reflect losses on contracted MTBE production.

During 1997, Enron recorded a non-recurring charge of \$675 million, primarily reflecting the impact of Enron's amended J-Block gas contract in the U.K., and a \$100 million charge to reflect losses on contracted MTBE production. Also in 1997, Enron sold approximately 7% of its ownership of Energy Services for \$130 million and recognized an after-tax gain of \$61 million.

Interest and Related Charges, Net

Interest and related charges, net of interest capitalized, increased to \$656 million in 1999 from \$550 million in 1998 and \$401 million in 1997. The increase in 1999 as compared to 1998 was primarily due to debt issuances and debt related to Elektro, partially offset by a decrease in debt related to EOG following the sale and exchange of Enron's interests in August 1999. See Note 2 to the Consolidated Financial Statements.

The increase in 1998 as compared to 1997 was primarily a result of higher debt levels, including debt issuances and the consolidation in July 1997 of debt related to Portland General (see Note 2 to the Consolidated Financial Statements).

Interest capitalized, which totaled \$54 million, \$66 million and \$18 million for 1999, 1998, and 1997, respectively, increased in 1998 as a result of the commencement of construction of several power projects.

Dividends on Company-Obligated Preferred Securities of Subsidiaries

Dividends on company-obligated preferred securities of subsidiaries increased from \$69 million in 1997 to \$77 million in 1998 and \$76 million in 1999, primarily due to the issuance of \$372 million of additional preferred securities by Enron subsidiaries during 1997. Company-obligated preferred securities of subsidiaries also increased by \$29 million in 1997 for securities of Portland General.

Minority Interests

Minority interests include the following:

(In millions)	1999	1998	1997
Jacare Electrical Distribution Trust	\$ 39	\$ -	\$ -
Majority-owned limited partnerships	71	-	-
Whitewing Associates, L.P.	12	53	-
Enron Oil & Gas Company	2	24	56
Enron Global Power & Pipelines L.L.C.	-	-	24
Other	11	-	-
	\$135	\$ 77	\$ 80

Minority interests include Jacare beginning January 1, 1999, majority-owned limited partnerships since their formation in December 1998 and July 1999, Whitewing from its formation in December 1997 until its deconsolidation in March 1999, EOG until the exchange and sale of Enron's interests in August 1999 and Enron Global Power & Pipelines L.L.C. until Enron acquired the minority interest in November 1997 (see Notes 2, 8 and 9 to the Consolidated Financial Statements).

Income Tax Expense

Income tax expense decreased in 1999 compared to 1998 primarily as a result of increased equity earnings, tax benefits related to the foreign tax rate differential and the audit settlement related to Monthly Income Preferred Shares, partially offset by increased earnings.

Income tax expense increased in 1998 as compared to 1997 primarily as a result of increased earnings, partially offset by differences between the book and tax basis of certain assets and stock sales.

Cumulative Effect of Accounting Changes

In the first quarter of 1999, Enron recorded an after-tax charge of \$131 million to reflect the initial adoption (as of January 1, 1999) of two new accounting pronouncements, the AICPA Statement of Position 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities," and the Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." The first quarter 1999 charge was primarily related to the adoption of SOP 98-5. See Note 18 to the Consolidated Financial Statements.

YEAR 2000

A Year 2000 problem was anticipated which could have resulted from the use in computer hardware and software of two digits rather than four digits to define the applicable year. The use of two digits was a common practice for decades when computer storage and processing was much more expensive than today. When computer systems must process dates both before and after January 1, 2000, two-digit year "fields" may create processing ambiguities that can cause errors and system failures. For example, computer programs that have date-sensitive features may recognize a date represented by "00" as the year 1900 instead of 2000.

The Year 2000 problem has caused no material disruption to Enron's mission-critical facilities or operations, and resulted in no material costs. Enron will remain vigilant for Year 2000 related problems that may yet occur due to hidden defects in computer hardware or software at Enron or Enron's mission-critical external entities. Enron anticipates that the Year 2000 problem will not create material disruptions to its mission-critical facilities or operations, and will not create material costs.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." See Note 18 to the Consolidated Financial Statements.

FINANCIAL CONDITION

Cash Flows

(In millions)

	1999	1998	1997
--	------	------	------

Cash provided by (used in):

Operating activities	\$ 1,228	\$ 1,640	\$ 211
Investing activities	(3,507)	(3,965)	(2,146)
Financing activities	2,456	2,266	1,849

Net cash provided by operating activities decreased \$412 million in 1999, primarily reflecting increases in working capital and net assets from price risk management activities, partially offset by increased earnings and higher proceeds from sales of merchant assets and investments. The increase of \$1,429 million in 1998 reflects positive operating cash flow from Enron's major business segments, proceeds from sales of interests in energy-related merchant assets and cash from timing and other changes related to Enron's commodity portfolio, partially offset by new investments in merchant assets and investments. See Note 4 to the Consolidated Financial Statements.

Net cash used in investing activities primarily reflects capital expenditures and equity investments, which total \$3,085 million in 1999, \$3,564 million in 1998 and \$2,092 million in 1997. See "Capital Expenditures and Equity Investments" below. Partially offsetting these uses of cash were proceeds from the sales of non-merchant assets totaling \$294 million in 1999, \$239 million in 1998 and \$473 million in 1997. Proceeds in 1997 were primarily from sales of liquids assets.

Cash provided by financing activities in 1999 included \$1,504 million from the net issuance of short- and long-term debt, \$852 million from the issuance of common stock and \$568 million from the formation of majority-owned limited partnerships, partially offset by payments of \$467 million for dividends. Cash provided by financing activities in 1998 included \$875 million from the net issuance of short- and long-term debt, \$867 million from the issuance of common stock and \$828 million primarily from the sale of a minority interest in a subsidiary, partially offset by payments of \$414 million for dividends. Cash provided by financing activities in 1997 was generated from net issuances of \$1,674 million of short- and long-term debt, \$372 million of preferred securities by subsidiary companies and \$555 million of subsidiary equity. These inflows were partially offset by payments of \$354 million for cash dividends and \$422 million for treasury stock.

Capital Expenditures and Equity Investments

Capital expenditures by operating segment are as follows:

(In millions)	2000 Estimate	1999	1998	1997
Transportation and Distribution	\$ 287	\$ 316	\$ 310	\$ 337
Wholesale Energy Operations and Services	1,517	1,216	706	318
Retail Energy Services	47	64	75	36
Exploration and Production	-	226	690	626
Corporate and Other	35	541	124	75
Total	\$1,886	\$2,363	\$1,905	\$1,392

Capital expenditures increased \$458 million in 1999 and \$513 million in 1998 as compared to the previous year. During 1999, Enron Wholesale expenditures increased due primarily to construction of domestic and international power plants and the Enron Broadband Services fiber optic network. The 1999 increase in Corporate and Other reflects the purchase of certain previously leased MTBE-related assets. During 1998, Enron Wholesale expenditures increased primarily related to domestic and international power plant construction.

Cash used for investments in equity affiliates by the operating segments is as follows:

(In millions)	1999	1998	1997
Transportation and Distribution	\$ -	\$ 27	\$ 3
Wholesale Energy Operations and Services	712	703	580
Corporate and Other	10	929	117
Total	\$722	\$1,659	\$700

Equity investments in 1999 relate primarily to projects in Korea and India. Equity investments increased in 1998 as compared to 1997 primarily due to the acquisitions of Elektro and Wessex, net of proceeds from transactions reducing Enron's interests in these investments. See Notes 2 and 9 to the Consolidated Financial Statements.

The level of spending for capital expenditures and equity investments will vary depending upon conditions in the energy and broadband markets, related economic conditions and identified opportunities. Management expects that the capital spending program will be funded by a combination of internally generated funds, proceeds from dispositions of selected assets and short- and long-term borrowings.

Working Capital

At December 31, 1999, Enron had working capital of \$496 million. If a working capital deficit should occur, Enron has credit facilities in place to fund working capital requirements. At December 31, 1999, those credit lines provided for up to \$3.0 billion of committed and uncommitted credit, of which \$125 million was outstanding. Certain of the credit agreements contain prefunding covenants. However, such covenants are not expected to restrict Enron's access to funds under these agreements. In addition, Enron sells commercial paper and has agreements to sell trade accounts receivable, thus providing financing to meet seasonal working capital needs. Management believes that the sources of funding described above are sufficient to meet short- and long-term liquidity needs not met by cash flows from operations.

CAPITALIZATION

Total capitalization at December 31, 1999 was \$21.2 billion. Debt as a percentage of total capitalization decreased to 38.5% at December 31, 1999 as compared to 41.9% at December 31, 1998. The decrease primarily reflects the issuance in February 1999 of approximately 27.6 million shares of common stock, a net increase in minority interests and increased preferred stock outstanding following the deconsolidation of Whitewing Associates, L.P. (see Note 10 to the Consolidated Financial Statements), partially offset by increased debt levels and a decrease in equity due to the devaluation of the Brazilian real (see Note 2 to the Consolidated Financial Statements).

Enron is a party to certain financial contracts which contain provisions for early settlement in the event of a significant market price decline in which Enron's common stock falls below certain levels (prices ranging from \$15.48 to \$28.00 per share) or if the credit ratings for Enron's unsecured, senior long-term debt obligations fall below investment grade. The impact of this early settlement could include the issuance of additional shares of Enron common stock.

Enron's senior unsecured long-term debt is currently rated BBB+ by Standard & Poor's Corporation and Baa2 by Moody's Investor Services. Enron's continued investment grade status is critical to the success of its wholesale businesses as well as its ability to maintain adequate liquidity. Enron's management believes it will be able to maintain or improve its credit rating.

ITEM 7A. FINANCIAL RISK MANAGEMENT

Enron Wholesale offers price risk management services primarily related to commodities associated with the energy sector (natural gas, electricity, crude oil and natural gas liquids). Energy Services also offers price risk management services to its commercial and industrial customers. These services are provided through a variety of financial instruments including forward contracts, which may involve physical delivery of an energy commodity, swap agreements, which may require

payments to (or receipt of payments from) counterparties based on the differential between a fixed and variable price for the commodity, options and other contractual arrangements. Interest rate risks and foreign currency risks associated with the fair value of its energy commodities portfolio are managed using a variety of financial instruments, including financial futures, swaps and options.

Enron's other businesses also enter into forwards, swaps and other contracts primarily for the purpose of hedging the impact of market fluctuations on assets, liabilities, production or other contractual commitments. Changes in the market value of these hedge transactions are deferred until the gain or loss is recognized on the hedged item.

Enron manages market risk on a portfolio basis, subject to parameters established by its Board of Directors. Market risks are monitored by an independent risk control group operating separately from the units that create or actively manage these risk exposures to ensure compliance with Enron's stated risk management policies. Enron's fixed price commodity contract portfolio is typically balanced to within an annual average of 1% of the total notional physical and financial transaction volumes marketed.

Market Risk

The use of financial instruments by Enron's businesses may expose Enron to market and credit risks resulting from adverse changes in commodity and equity prices, interest rates and foreign exchange rates. For Enron Wholesale's and Energy Services' businesses, the major market risks are discussed below:

Commodity Price Risk. Commodity price risk is a consequence of providing price risk management services to customers as well as owning and operating production facilities. As discussed above, Enron actively manages this risk on a portfolio basis to ensure compliance with Enron's stated risk management policies. Forwards, futures, swaps and options are utilized to manage Enron's consolidated exposure to price fluctuations related to production from its production facilities.

Interest Rate Risk. Interest rate risk is also a consequence of providing price risk management services to customers and having variable rate debt obligations, as changing interest rates impact the discounted value of future cash flows. Enron utilizes forwards, futures, swaps and options to manage its interest rate risk.

Foreign Currency Exchange Rate Risk. Foreign currency exchange rate risk is the result of Enron's international operations and price risk management services provided to its worldwide customer base. The primary purpose of Enron's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchase and sale transactions. Enron primarily utilizes forward exchange contracts, futures and purchased options to manage Enron's risk profile.

Equity Risk. Equity risk arises primarily from the assets and investments operations of Enron Wholesale, which provides capital to customers through equity participations in various investment activities. Enron generally manages this risk by hedging specific investments using futures, forwards, swaps and options.

Enron evaluates, measures and manages the market risk in its investments on a daily basis utilizing value at risk and other

methodologies. The quantification of market risk using value at risk provides a consistent measure of risk across diverse markets and products. The use of these methodologies requires a number of key assumptions including the selection of a confidence level for expected losses, the holding period for liquidation and the treatment of risks outside the value at risk methodologies, including liquidity risk and event risk. Value at risk represents an estimate of reasonably possible net losses in earnings that would be recognized on its investments assuming hypothetical movements in future market rates and no change in positions. Value at risk is not necessarily indicative of actual results which may occur.

Value at Risk

Enron has performed an entity-wide value at risk analysis of virtually all of Enron's financial assets and liabilities. Value at risk incorporates numerous variables that could impact the fair value of Enron's investments, including commodity prices, interest rates, foreign exchange rates, equity prices and associated volatilities, as well as correlation within and across these variables. Enron estimates value at risk commodity, interest rate and foreign exchange exposures using a model based on Monte Carlo simulation of delta/gamma positions which captures a significant portion of the exposure related to option positions. The value at risk for equity exposure discussed above is based on J.P. Morgan's RiskMetricsT approach. Both value at risk methods utilize a one-day holding period and a 95% confidence level. Cross-commodity correlations are used as appropriate.

The use of value at risk models allows management to aggregate risks across the company, compare risk on a consistent basis and identify the drivers of risk. Because of the inherent limitations to value at risk, including the use of delta/gamma approximations to value options, subjectivity in the choice of liquidation period and reliance on historical data to calibrate the models, Enron relies on value at risk as only one component in its risk control process. In addition to using value at risk measures, Enron performs regular stress and scenario analyses to estimate the economic impact of sudden market moves on the value of its portfolios. The results of the stress testing, along with the professional judgment of experienced business and risk managers, are used to supplement the value at risk methodology and capture additional market-related risks, including volatility, liquidity and event, concentration and correlation risks.

The following table illustrates the value at risk for each component of market risk:

(In millions)	December 31,		Year ended December 31, 1999		
	1999	1998	Average(a)	High Valuation(a)	Low Valuation(a)
Trading Market Risk:					
Commodity price	\$21	\$20	\$24	\$37(b)	\$16
Interest rate	-	-	-	-	-
Foreign currency exchange rate	-	-	-	-	-
Equity(c)	26	12	20	29	14
Non-Trading Market Risk(d):					
Commodity price(e)	1	10	8	18	1

Interest rate	2	-	2	2	1
Foreign currency					
exchange rate	4	-	3	5	-
Equity	3	-	-	3	-

- (a) The average value presents a twelve month average of the month-end values. The high and low valuations for each market risk component represent the highest and lowest month-end value during 1999.
- (b) In June 1999, seasonal dynamics in the U.S. power markets caused Enron's value at risk to increase significantly.
- (c) Enron's equity trading market risk primarily relates to merchant activities (see Note 4 to the Consolidated Financial Statements). The increase in value at risk in 1999 is due primarily to greater volatility in investments held throughout 1999, increased levels of more volatile communications investments and further refinement of Enron's value at risk model to allow the inclusion of certain partnership interests and other instruments for the first time.
- (d) Includes only the risk related to the financial instruments that serve as hedges and does not include the related underlying hedged item.
- (e) Enron's hedging activity decreased following the exchange and sale of Enron's interest in EOG (see Note 2 to the Consolidated Financial Statements).

Accounting Policies

Accounting policies for price risk management and hedging activities are described in Note 1 to the Consolidated Financial Statements.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts contained in this document are forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to expansion opportunities for the Gas Pipeline Group, demand in the market for broadband services and high bandwidth applications, transaction volumes in the U.S. power market, commencement of commercial operations of new power plants and pipeline projects, and growth in the demand for retail energy outsourcing solutions. When used in this document, the words "anticipate," "believe," "estimate," "except," "intend," "may," "project," "plan," "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Although Enron believes that its expectations reflected in these forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include political developments in foreign countries; the ability of Enron to penetrate new retail natural gas and electricity markets (including energy outsourcing markets) in the United States and Europe; the ability to penetrate the broadband services market; the timing and extent of deregulation of energy markets in the United States and in foreign jurisdictions; other regulatory developments in the United States and in foreign

countries, including tax legislation and regulations; the extent of efforts by governments to privatize natural gas and electric utilities and other industries; the timing and extent of changes in commodity prices for crude oil, natural gas, electricity, foreign currency and interest rates; the extent of success in acquiring oil and gas properties and in discovering, developing, producing and marketing reserves; the timing and success of Enron's efforts to develop international power, pipeline and other infrastructure projects; the effectiveness of Enron's risk management activities; the ability of counterparties to financial risk management instruments and other contracts with Enron to meet their financial commitments to Enron; the effectiveness of Enron's Year 2000 Plan and the Year 2000 readiness of outside entities; and Enron's ability to access the capital markets and equity markets during the periods covered by the forward-looking statements, which will depend on general market conditions and Enron's ability to maintain or increase the credit ratings for its unsecured senior long-term debt obligations.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required hereunder is included in this report as set forth in the "Index to Financial Statements" on page F-1.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON
ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 of Form 10-K relating to directors who are nominees for election as directors at Enron's Annual Meeting of Shareholders to be held on May 2, 2000 is set forth under the caption entitled "Election of Directors" in Enron's Proxy Statement, and is incorporated herein by reference.

The information required by Item 10 of Form 10-K with respect to executive officers is set forth in Part I of this Form 10-K under the heading "Current Executive Officers of the Registrant".

Section 16(a) of the Securities Exchange Act of 1934 requires Enron's executive officers and directors, and persons who own more than 10% of a registered class of Enron's equity securities, to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. Based solely on its review of the copies of such reports received by it, or written representations from certain reporting persons that no Forms 5 were required for those persons, Enron believes that during 1999, its executive officers, directors and greater than 10% shareholders complied with all applicable filing requirements, with the exception that Ronnie C. Chan did not timely file one report containing two transactions, and Frank Savage did not timely file one report containing one transaction.

There are no family relationships among the officers listed, and there are no arrangements or understandings pursuant to which any of them were elected as officers. Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Shareholders, each to hold office until the corresponding meeting of the Board in the next year or until a successor shall have been elected, appointed or shall have qualified.

Item 11. EXECUTIVE COMPENSATION

The information regarding executive compensation is set forth in the Proxy Statement under the captions "Compensation of Directors and Executive Officers --Director Compensation; Executive Compensation; Stock Option Grants During 1999; Aggregated Stock Option/SAR Exercises During 1999 and Stock Option/SAR Values as of December 31, 1999; Retirement and Supplemental Benefit Plans; Severance Plans; Employment Contracts; Certain Transactions; and Compensation Committee Interlocks and Insider Participation", and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security ownership of certain beneficial owners

The information regarding security ownership of certain beneficial owners is set forth in the Proxy Statement under the caption "Election of Directors - Security Ownership of Certain Beneficial Owners", and is incorporated herein by reference.

(b) Security ownership of management

The information regarding security ownership of management is set forth in the Proxy Statement under the caption "Election of Directors - Stock Ownership of Management and Board of Directors as of February 15, 2000", and is incorporated herein by reference.

(c) Changes in control

None.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information regarding certain relationships and related transactions is set forth in the Proxy Statement under the caption "Certain Transactions" and "Compensation Committee Interlocks and Insider Participation", and is incorporated herein by reference.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND
REPORTS ON FORM 8-K

(a)(1) and (2) Financial Statements and Financial Statement Schedules. See "Index to Financial Statements" set forth on page F-1.

(a)(3) Exhibits:

- *3.01 - Amended and Restated Articles of Incorporation of Enron Oregon Corp. (Annex E to the Proxy Statement/Prospectus included in Enron's Registration Statement on Form S-4 - File No. 333-13791).
- *3.02 - Articles of Merger of Enron Oregon Corp., an Oregon corporation, and Enron Corp., a Delaware corporation (Exhibit 3.02 to Post-Effective Amendment No. 1 to Enron's Registration Statement on Form S-3 - File No. 33-60417).
- *3.03 - Articles of Merger of Enron Corp., an Oregon corporation, and Portland General Corporation, an Oregon corporation (Exhibit 3.03 to Post-Effective Amendment No. 1 to Enron's Registration Statement on Form S-3 - File No. 33-60417).
- *3.04 - Bylaws of Enron (Exhibit 3.04 to Post-Effective Amendment No. 1 to Enron's Registration Statement on Form S-3 - File No. 33-60417).
- *3.05 - Articles of Amendment of Enron: Form of Series Designation for the Enron Convertible Preferred Stock (Annex F to the Proxy Statement/Prospectus included in Enron's Registration Statement on Form S-4 - File No. 333-13791).
- *3.06 - Articles of Amendment of Enron: Form of Series Designation for the Enron 9.142% Preferred Stock (Annex G to the Proxy Statement/Prospectus included in Enron's Registration Statement on Form S-4 - File No. 333-13791).
- *3.07 - Articles of Amendment of Enron: Statement of Resolutions Establishing Series A Junior Voting Convertible Preferred Stock (Exhibit 3.07 to Enron's Registration Statement on Form S-3 - File No. 333-44133).
- *3.08 - Articles of Amendment of Enron: Statement of Resolutions Establishing A Series of Preferred Stock of Enron Corp. - Mandatorily Convertible Single Reset Preferred Stock, Series A (Exhibit 4.01 to Enron's Form 8-K filed on January 26, 1999).
- *3.09 - Articles of Amendment of Enron: Statement of Resolutions Establishing A

Series of Preferred Stock of Enron Corp. -
Mandatorily Convertible Single Reset
Preferred Stock, Series B (Exhibit 4.02 to
Enron's Form 8-K filed on January 26, 1999).

*3.10 - Articles of Amendment of Enron amending
Article IV of the Articles of Incorporation
(Exhibit 3.10 to Post-Effective Amendment No.
1 to Enron's Registration Statement on Form S-
3 - File No. 333-70465).

*3.11 - Articles of Amendment of Enron:
Statement of Resolutions Establishing A
Series of Preferred Stock of Enron Corp. -
Mandatorily Convertible Junior Preferred
Stock, Series B (Exhibit 3.11 to Post-
Effective Amendment No. 1 to Enron's
Registration Statement on Form S-3 - File No.
333-70465).

*4.01 - Indenture dated as of November 1, 1985,
between Enron and Harris Trust and Savings
Bank, as supplemented and amended by the First
Supplemental Indenture dated as of December 1,
1995 (Form T-3 Application for Qualification
of Indentures under the Trust Indenture Act of
1939, File No. 22-14390, filed October 24,
1985; Exhibit 4(b) to Form S-3 Registration
Statement No. 33-64057 filed on November 8,
1995). There have not been filed as exhibits
to this Form 10-K other debt instruments
defining the rights of holders of long-term
debt of Enron, none of which relates to
authorized indebtedness that exceeds 10% of
the consolidated assets of Enron and its
subsidiaries. Enron hereby agrees to furnish
a copy of any such instrument to the
Commission upon request.

*4.02 - Supplemental Indenture, dated as of
May 8, 1997, by and among Enron Corp., Enron
Oregon Corp. and Harris Trust and Savings
Bank, as Trustee (Exhibit 4.02 to Post-
Effective Amendment No. 1 to Enron's
Registration Statement on Form S-3, File No.
33-60417).

*4.03 - Third Supplemental Indenture, dated as of
September 1, 1997, between Enron Corp. and
Harris Trust and Savings Bank, as Trustee
(Exhibit 4.03 to Enron Registration Statement
on Form S-3, File No. 333-35549).

*4.04 - Fourth Supplemental Indenture, dated as
of August 17, 1999, between Enron Corp. and
Harris Trust and Savings Bank, as Trustee
(Exhibit 4.05 to Enron Registration Statement
on Form S-3 - File No. 333-83549).

Executive Compensation Plans and Arrangements Filed as
Exhibits Pursuant to Item 14(c) of Form 10-K: Exhibits
10.01 through 10.57

*10.01 - Enron Executive Supplemental Survivor
Benefits Plan, effective January 1, 1987
(Exhibit 10.01 to Enron Form 10-K for 1992).

- 10.02 - First Amendment to Enron Executive Supplemental Survivor Benefits Plan.
- *10.03 - Enron Corp. 1988 Stock Plan (Exhibit 4.3 to Form S-8 Registration Statement No. 33-27893).
- *10.04 - Second Amendment to Enron Corp. 1988 Stock Plan (Exhibit 10.04 to Enron Form 10-K for 1996).
- *10.05 - Enron Corp. 1988 Deferral Plan (Exhibit 10.19 to Enron Form 10-K for 1987).
- *10.06 - First Amendment to Enron Corp. 1988 Deferral Plan (Exhibit 10.06 to Enron Form 10-K for 1995).
- *10.07 - Second Amendment to Enron Corp. 1988 Deferral Plan (Exhibit 10.07 to Enron Form 10-K for 1995).
- *10.08 - Third Amendment to Enron Corp. 1988 Deferral Plan (Exhibit 10.09 to Enron Form 10-K for 1996).
- *10.09 - Fourth Amendment to Enron Corp. 1988 Deferral Plan (Exhibit 10.10 to Enron Form 10-K for 1996).
- *10.10 - Fifth Amendment to Enron Corp. 1988 Deferral Plan (Exhibit 10.11 to Enron Form 10-K for 1996).
- 10.11 - Sixth Amendment to Enron Corp. 1988 Deferral Plan.
- *10.12 - Enron Corp. 1991 Stock Plan (Exhibit 10.08 to Enron Form 10-K for 1991).
- *10.13 - Amended and Restated Enron Corp. 1991 Stock Plan (Exhibit A to Enron Proxy Statement filed pursuant to Section 14(a) on March 24, 1997).
- *10.14 - First Amendment to Enron Corp. Amended and Restated 1991 Stock Plan (Exhibit 10.13 to Enron Form 10-K for 1997).
- *10.15 - Second Amendment to Enron Corp. Amended and Restated 1991 Stock Plan (Exhibit 10.14 to Enron Form 10-K for 1997).
- *10.16 - Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999) (Exhibit B to Enron Proxy Statement filed pursuant to Section 14(a) on March 30, 1999).
- 10.17 - First Amendment to Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999).
- 10.18 - Second Amendment to Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999).

- 10.19 - Third Amendment to Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999).
- *10.20 - Enron Corp. 1992 Deferral Plan (Exhibit 10.09 to Enron Form 10-K for 1991).
- *10.21 - First Amendment to Enron Corp. 1992 Deferral Plan (Exhibit 10.10 to Enron Form 10-K for 1995).
- *10.22 - Second Amendment to Enron Corp. 1992 Deferral Plan (Exhibit 10.11 to Enron Form 10-K for 1995).
- *10.23 - Enron Corp. Directors' Deferred Income Plan (Exhibit 10.09 to Enron Form 10-K for 1992).
- *10.24 - Split Dollar Life Insurance Agreement between Enron and the KLL and LPL Family Partnership, Ltd., dated April 22, 1994 (Exhibit 10.17 to Enron Form 10-K for 1994).
- *10.25 - Employment Agreement between Enron Corp. and Kenneth L. Lay, executed December 18, 1996 (Exhibit 10.25 to Enron Form 10-K for 1996).
- 10.26 - First Amendment to Employment Agreement between Enron Corp. and Kenneth L. Lay, dated February 7, 2000.
- *10.27 - Consulting Services Agreement between Enron and John A. Urquhart dated August 1, 1991 (Exhibit 10.23 to Enron Form 10-K for 1991).
- *10.28 - First Amendment to Consulting Services Agreement between Enron and John A. Urquhart, dated August 27, 1992 (Exhibit 10.25 to Enron Form 10-K for 1992).
- *10.29 - Second and Third Amendments to Consulting Services Agreement between Enron and John A. Urquhart, dated November 24, 1992 and February 26, 1993, respectively (Exhibit 10.26 to Enron Form 10-K for 1992).
- *10.30 - Fourth Amendment to Consulting Services Agreement between Enron and John A. Urquhart dated as of May 9, 1994 (Exhibit 10.35 to Enron Form 10-K for 1995).
- *10.31 - Fifth Amendment to Consulting Services Agreement between Enron and John A. Urquhart (Exhibit 10.36 to Enron Form 10-K for 1995).
- *10.32 - Sixth Amendment to Consulting Services Agreement between Enron and John A. Urquhart (Exhibit 10.37 to Enron Form 10-K for 1995).
- *10.33 - Seventh Amendment to Consulting Services Agreement between Enron and John A. Urquhart, dated October 27, 1997 (Exhibit 10.27 to Enron Form 10-K for 1997).

- *10.34 - Eighth Amendment to Consulting Services Agreement between Enron and John A. Urquhart, dated May 27, 1998 (Exhibit 10.28 to Enron Form 10-K for 1998).
- *10.35 - Ninth Amendment to Consulting Services Agreement between Enron and John A. Urquhart, dated December 31, 1998 (Exhibit 10.29 to Enron Form 10-K for 1998).
- 10.36 - Tenth Amendment to Consulting Services Agreement between John A. Urquhart and Enron Corp. dated January 1, 2000.
- *10.37 - Enron Corp. Performance Unit Plan (Exhibit A to Enron Proxy Statement filed pursuant to Section 14(a) on March 25, 1994).
- *10.38 - Enron Corp. Annual Incentive Plan (Exhibit B to Enron Proxy Statement filed pursuant to Section 14(a) on March 25, 1994).
- *10.39 - Enron Corp. Annual Incentive Plan dated May 4, 1999 (Exhibit A to Enron Proxy Statement filed pursuant to Section 14(a) on March 30, 1999).
- *10.40 - Enron Corp. Performance Unit Plan (as amended and restated effective May 2, 1995) (Exhibit A to Enron Proxy Statement filed pursuant to Section 14(a) on March 27, 1995).
- *10.41 - First Amendment to Enron Corp. Performance Unit Plan (Exhibit 10.46 to Enron Form 10-K for 1995).
- *10.42 - Enron Corp. Restated 1994 Deferral Plan (Exhibit 4.3 to Enron Form S-8 Registration Statement, File No. 333-48193).
- *10.43 - Employment Agreement between Enron Capital Trade & Resources Corp. and Jeffrey K. Skilling, dated January 1, 1996 (Exhibit 10.63 to Enron Form 10-K for 1996).
- *10.44 - First Amendment effective January 1, 1997, by and among Enron Corp., Enron Capital & Trade Resources Corp., and Jeffrey K. Skilling, amending Employment Agreement between Enron Capital & Trade Resources Corp. and Jeffrey K. Skilling dated January 1, 1996 (Exhibit 10.64 to Enron Form 10-K for 1996).
- *10.45 - Split Dollar Agreement between Enron and Jeffrey K. Skilling dated May 23, 1997 (Exhibit 10.41 to Enron Form 10-K for 1997).
- *10.46 - Second Amendment effective October 13, 1997, to Employment Agreement between Enron Corp. and Jeffrey K. Skilling (Exhibit 10.42 to Enron Form 10-K for 1997).
- *10.47 - Loan Agreement effective October 13, 1997, between Enron Corp. and Jeffrey K. Skilling (Exhibit 10.43 to Enron Form 10-K for

1997).

- 10.48 - Third Amendment to Employment Agreement between Enron Corp. and Jeffrey K. Skilling, dated February 7, 2000.
- *10.49 - Employment Agreement dated July 20, 1996 (effective July 1, 1997) between Enron and Ken L. Harrison (Exhibit 10.1 to Post-Effective Amendment No. 1 to Enron's Registration Statement on Form S-4, File No. 333-13791).
- *10.50 - Executive Employment Agreement between Enron Corp. and Rebecca P. Mark, effective May 4, 1998 (Exhibit 10.41 to Enron Form 10-K for 1998).
- 10.51 - First Amendment to Executive Employment Agreement by and between Enron Corp., Azurix Corp. and Rebecca P. Mark, dated February 1, 1999.
- *10.52 - Executive Employment Agreement between Enron Corp. and Joseph W. Sutton, effective June 23, 1998 (Exhibit 10.42 to Enron Form 10-K for 1998).
- 10.53 - Amendment to Executive Employment Agreement between Enron Corp. and Joseph W. Sutton, dated May 5, 1999.
- 10.54 - Second Amendment to Executive Employment Agreement between Enron Corp. and Joseph W. Sutton, dated July 1, 1999.
- *10.55 - Executive Employment Agreement between Enron Operations Corp. and Stanley C. Horton, dated as of October 1, 1999 (Exhibit 10.45 to Enron Form 10-K for 1997).
- 10.56 - First Amendment to Executive Employment Agreement by and between Enron Operations Corp., Enron Corp. and Stanley C. Horton, dated December 27, 1999.
- 10.57 - Executive Employment Agreement between Enron Corp. and Mark A. Frevert, effective June 1, 1998.
- 12 - Statement re computation of ratios of earnings to fixed charges.
- 21 - Subsidiaries of registrant.
- 23 - Consent of Arthur Andersen LLP.
- 24 - Powers of Attorney for the directors signing this Form 10-K.
- 27 - Financial Data Schedule.

* Asterisk indicates exhibits incorporated by reference.

(b) Reports on Form 8-K

None.

INDEX TO FINANCIAL STATEMENTS

ENRON CORP.

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Other financial statement schedules have been omitted because they are inapplicable or the information required therein is included elsewhere in the financial statements or notes thereto.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of Enron Corp.:

We have audited the accompanying consolidated balance sheet of Enron Corp. (an Oregon corporation) and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of Enron Corp.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enron Corp. and subsidiaries as of December 31, 1999 and 1998, and the results of their operations, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 18 to the consolidated financial statements, Enron Corp. and subsidiaries changed its method of accounting for costs of start-up activities and its method of accounting for certain contracts involved in energy trading and risk management activities in the first quarter of 1999.

ARTHUR ANDERSEN LLP

Houston, Texas
March 13, 2000

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

(In millions, except per share amounts)	Year ended December 31,		
	1999	1998	1997
Revenues			
Natural gas and other products	\$19,536	\$13,276	\$13,211
Electricity	15,238	13,939	5,101
Transportation	588	627	652
Other	4,750	3,418	1,309
Total revenues	40,112	31,260	20,273
Costs and Expenses			
Cost of gas, electricity and other products	34,761	26,381	17,311
Operating expenses	2,996	2,352	1,406
Oil and gas exploration expenses	49	121	102
Depreciation, depletion and amortization	870	827	600
Taxes, other than income taxes	193	201	164
Impairment of long-lived assets	441	-	-
Contract restructuring charge	-	-	675
Total costs and expenses	39,310	29,882	20,258
Operating Income	802	1,378	15
Other Income and Deductions			
Equity in earnings of unconsolidated equity affiliates	309	97	216
Gains on sales of assets and investments	541	56	186
Interest income	162	88	70
Other income, net	181	(37)	78
Income Before Interest, Minority Interests and Income Taxes	1,995	1,582	565
Interest and related charges, net	656	550	401
Dividends on company-obligated preferred securities of subsidiaries	76	77	69
Minority interests	135	77	80
Income tax expense (benefit)	104	175	(90)
Net income before cumulative effect of accounting changes	1,024	703	105
Cumulative effect of accounting changes, net of tax	(131)	-	-
Net Income	893	703	105
Preferred stock dividends	66	17	17
Earnings on Common Stock	\$ 827	\$ 686	\$ 88
Earnings Per Share of Common Stock			
Basic			
Before cumulative effect of accounting changes	\$ 1.36	\$ 1.07	\$ 0.16
Cumulative effect of accounting changes	(0.19)	-	-
Basic earnings per share	\$ 1.17	\$ 1.07	\$ 0.16
Diluted			
Before cumulative effect of accounting changes	\$ 1.27	\$ 1.01	\$ 0.16
Cumulative effect of accounting changes	(0.17)	-	-
Diluted earnings per share	\$ 1.10	\$ 1.01	\$ 0.16
Average Number of Common Shares Used in Computation			
Basic	705	642	544
Diluted	769	695	555

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions)	Year ended December 31,		
	1999	1998	1997
Net Income	\$ 893	\$ 703	\$ 105
Other comprehensive income:			
Foreign currency translation			
adjustment and other	(579)	(14)	(21)
Total Comprehensive Income	\$ 314	\$ 689	\$ 84

The accompanying notes are an integral part of these consolidated financial statements.

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(In millions)	December 31, 1999	1998
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 288	\$ 111
Trade receivables (net of allowance for doubtful accounts of \$40 and \$14, respectively)	3,030	2,060
Other receivables	518	833
Assets from price risk management activities	2,205	1,904
Inventories	598	514
Other	616	511
Total current assets	7,255	5,933
Investments and Other Assets		
Investments in and advances to unconsolidated equity affiliates	5,036	4,433
Assets from price risk management activities	2,929	1,941
Goodwill	2,799	1,949
Other	4,681	4,437
Total investments and other assets	15,445	12,760
Property, Plant and Equipment, at cost		
Natural gas transmission	6,948	6,936
Electric generation and distribution	3,552	2,061
Construction in progress	1,491	989
Oil and gas, successful efforts method	690	4,814
Other	1,231	992
	13,912	15,792
Less accumulated depreciation, depletion and amortization	3,231	5,135
Property, plant and equipment, net	10,681	10,657
Total Assets	\$33,381	\$29,350

The accompanying notes are an integral part of these consolidated financial statements.

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(In millions, except shares)	December 31, 1999	1998
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2,154	\$ 2,380
Liabilities from price risk management activities	1,836	2,511
Short-term debt	1,001	-
Other	1,768	1,216
Total current liabilities	6,759	6,107
Long-Term Debt	7,151	7,357
Deferred Credits and Other Liabilities		
Deferred income taxes	1,894	2,357
Liabilities from price risk management activities	2,990	1,421
Other	1,587	1,916
Total deferred credits and other liabilities	6,471	5,694
Commitments and Contingencies (Notes 3, 13, 14 and 15)		
Minority Interests	2,430	2,143
Company-Obligated Preferred Securities of Subsidiaries	1,000	1,001
Shareholders' Equity		
Second preferred stock, cumulative, no par value, 1,370,000 shares authorized, 1,296,184 shares and 1,319,848 shares of Cumulative Second Preferred Convertible Stock issued, respectively	130	132
Mandatorily Convertible Junior Preferred Stock, Series B, no par value, 250,000 shares issued	1,000	-
Common stock, no par value, 1,200,000,000 shares authorized, 716,865,081 shares and 671,094,552 shares issued, respectively	6,637	5,117
Retained earnings	2,698	2,226
Accumulated other comprehensive income	(741)	(162)
Common stock held in treasury, 1,337,714 shares and 9,333,322 shares, respectively	(49)	(195)
Restricted stock and other	(105)	(70)
Total shareholders' equity	9,570	7,048
Total Liabilities and Shareholders' Equity	\$33,381	\$29,350

The accompanying notes are an integral part of these consolidated financial statements.

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions)	Year ended December 31,		
	1999	1998	1997
Cash Flows From Operating Activities			
Reconciliation of net income to net cash provided by operating activities			
Net income	\$ 893	\$ 703	\$ 105
Cumulative effect of accounting changes	131	-	-
Depreciation, depletion and amortization	870	827	600
Oil and gas exploration expenses	49	121	102
Impairment of long-lived assets	441	-	-
Deferred income taxes	21	87	(174)
Gains on sales of assets and investments	(541)	(82)	(195)
Changes in components of working capital	(1,000)	(233)	(65)
Net assets from price risk management activities	(395)	350	201
Merchant assets and investments:			
Realized gains on sales	(756)	(628)	(136)
Proceeds from sales	2,217	1,434	339
Additions and unrealized gains	(827)	(721)	(308)
Other operating activities	125	(218)	(258)
Net Cash Provided by Operating Activities	1,228	1,640	211
Cash Flows From Investing Activities			
Capital expenditures	(2,363)	(1,905)	(1,392)
Equity investments	(722)	(1,659)	(700)
Proceeds from sales of investments and other assets	294	239	473
Acquisition of subsidiary stock	-	(180)	-
Business acquisitions, net of cash acquired (see Note 2)	(311)	(104)	(82)
Other investing activities	(405)	(356)	(445)
Net Cash Used in Investing Activities	(3,507)	(3,965)	(2,146)
Cash Flows From Financing Activities			
Issuance of long-term debt	1,776	1,903	1,817
Repayment of long-term debt	(1,837)	(870)	(607)
Net increase (decrease) in short-term borrowings	1,565	(158)	464
Issuance of company-obligated preferred securities of subsidiaries	-	8	372
Issuance of common stock	852	867	-
Issuance of subsidiary equity	568	828	555
Dividends paid	(467)	(414)	(354)
Net (acquisition) disposition of treasury stock	139	13	(422)
Other financing activities	(140)	89	24
Net Cash Provided by Financing Activities	2,456	2,266	1,849
Increase (Decrease) in Cash and Cash Equivalents	177	(59)	(86)
Cash and Cash Equivalents, Beginning of Year	111	170	256
Cash and Cash Equivalents, End of Year	\$ 288	\$ 111	\$ 170
Changes in Components of Working Capital			
Receivables	\$ (662)	\$ (1,055)	\$ 351

Inventories	(133)	(372)	63
Payables	(246)	433	(366)
Other	41	761	(113)
Total	\$ (1,000)	\$ (233)	\$ (65)

The accompanying notes are an integral part of these consolidated financial statements.

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions, except per share amounts; shares in thousands)	1999		1998		1997	
	Shares	Amount	Shares	Amount	Shares	Amount
Cumulative Second Preferred Convertible Stock						
Balance, beginning of year	1,320	\$ 132	1,338	\$ 134	1,371	\$ 137
Exchange of common stock for convertible preferred stock	(24)	(2)	(18)	(2)	(33)	(3)
Balance, end of year	1,296	\$ 130	1,320	\$ 132	1,338	\$ 134
Mandatorily Convertible Junior Preferred Stock, Series B						
Balance, beginning of year	-	\$ -	-	\$ -	-	\$ -
Issuances	250	1,000	-	-	-	-
Balance, end of year	250	\$1,000	-	\$ -	-	\$ -
Common Stock						
Balance, beginning of year	671,094	\$5,117	636,594	\$4,224	511,890	\$ 26
Exchange of common stock for convertible preferred stock	465	(1)	-	(7)	764	-
Issuances related to benefit and dividend reinvestment plans	10,054	258	-	45	-	(3)
Sales of common stock	27,600	839	34,500	836	-	-
Issuances of common stock in business acquisitions (see Note 2)	7,652	250	-	-	123,940	2,281
Issuance of no par stock in reincorporation merger	-	-	-	-	-	1,881
Other	-	174	-	19	-	39
Balance, end of year	716,865	\$6,637	671,094	\$5,117	636,594	\$4,224
Additional Paid-in Capital						
Balance, beginning of year		\$ -		\$ -		\$1,870
Sales and issuances of common stock		-		-		10
Issuance of no par stock in reincorporation merger		-		-		(1,881)
Other		-		-		1
Balance, end of year		\$ -		\$ -		\$ -
Retained Earnings						
Balance, beginning of year		\$2,226		\$1,852		\$2,007
Net income		893		703		105
Cash dividends						
Common stock (\$0.5000, \$0.4812 and \$0.4562 per share in 1999, 1998 and 1997, respectively)		(355)		(312)		(243)
Cumulative Second Preferred Convertible Stock (\$13.652, \$13.1402 and \$12.4584 per share in 1999, 1998 and 1997, respectively)		(17)		(17)		(17)
Series A and B Preferred Stock		(49)		-		-
Balance, end of year		\$2,698		\$2,226		\$1,852
Accumulated Other Comprehensive Income						
Balance, beginning of year		\$ (162)		\$ (148)		\$ (127)
Translation adjustments and other		(579)		(14)		(21)
Balance, end of year		\$ (741)		\$ (162)		\$ (148)
Treasury Stock						
Balance, beginning of year	(9,334)	\$ (195)	(14,102)	\$ (269)	(1,642)	\$ (30)
Shares acquired	(1,845)	(71)	(2,236)	(61)	(19,580)	(374)
Exchange of common stock for convertible preferred stock	181	4	486	9	140	3
Issuances related to benefit						

and dividend reinvestment plans	9,660	213	6,426	124	5,676	106
Issuances of treasury stock in business acquisitions (see Note 2)	-	-	92	2	1,304	26
Balance, end of year	(1,338)	\$ (49)	(9,334)	\$ (195)	(14,102)	\$ (269)
Restricted Stock and Other						
Balance, beginning of year		\$ (70)		\$ (175)		\$ (160)
Issuances related to benefit and dividend reinvestment plans		(35)		105		(15)
Balance, end of year		\$ (105)		\$ (70)		\$ (175)
Total Shareholders' Equity		\$9,570		\$7,048		\$5,618

The accompanying notes are an integral part of these consolidated financial statements.

ENRON CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation Policy and Use of Estimates. The accounting and financial reporting policies of Enron Corp. and its subsidiaries conform to generally accepted accounting principles and prevailing industry practices. The consolidated financial statements include the accounts of all subsidiaries controlled by Enron Corp. after the elimination of significant intercompany accounts and transactions, unless control is temporary.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

"Enron" is used from time to time herein as a collective reference to Enron Corp. and its subsidiaries and affiliates. The businesses of Enron are conducted by Enron Corp.'s subsidiaries and affiliates whose operations are managed by their respective officers.

Cash Equivalents. Enron records as cash equivalents all highly liquid short-term investments with original maturities of three months or less.

Inventories. Inventories consist primarily of commodities, priced at market.

Depreciation, Depletion and Amortization. The provision for depreciation and amortization with respect to operations other than oil and gas producing activities is computed using the straight-line or regulatorily mandated method, based on estimated economic lives. Composite depreciation rates are applied to functional groups of property having similar economic characteristics. The cost of utility property units retired, other than land, is charged to accumulated depreciation.

Provisions for depreciation, depletion and amortization of proved oil and gas properties are calculated using the units-of-production method.

Income Taxes. Enron accounts for income taxes using an asset and liability approach under which deferred tax assets and liabilities are recognized based on anticipated future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases (see Note 5).

Earnings Per Share. Basic earnings per share is computed based upon the weighted-average number of common shares outstanding during the periods. Diluted earnings per share is computed based upon the weighted-average number of common shares outstanding plus the assumed issuance of common shares for all potentially dilutive securities. All share and per share amounts have been adjusted to reflect the August 13, 1999 two-for-one stock split. See Note 11 for a reconciliation of the basic and diluted earnings per share computations.

Accounting for Price Risk Management. Enron engages in price risk management activities for both trading and non-trading purposes. Instruments utilized in connection with trading activities are accounted for using the mark-to-market method. Under the mark-to-market method of accounting, forwards, swaps, options, energy transportation contracts utilized for trading activities and other instruments with third parties are reflected at fair value and are shown as "Assets and Liabilities from Price Risk Management Activities" in the Consolidated Balance Sheet. These activities also include the risk management component embedded in energy outsourcing contracts. Unrealized gains and losses from newly originated contracts, contract restructurings and the impact of price movements are recognized as "Other Revenues." Changes in the assets and liabilities from price risk management activities result primarily from changes in the valuation of the portfolio of contracts, newly originated transactions and the timing of settlement relative to the receipt of cash for certain contracts. The market prices used to value these transactions reflect management's best estimate considering various factors including closing exchange and over-the-counter quotations, time value and volatility factors underlying the commitments. The values are adjusted to reflect the potential impact of liquidating Enron's position in an orderly manner over a reasonable period of time under present market conditions.

Financial instruments are also utilized for non-trading purposes to hedge the impact of market fluctuations on assets, liabilities, production and other contractual commitments. Hedge accounting is utilized in non-trading activities when there is a high degree of correlation between price movements in the derivative and the item designated as being hedged. In instances where the anticipated correlation of price movements does not occur, hedge accounting is terminated and future changes in the value of the financial instruments are recognized as gains or losses. If the hedged item is sold, the value of the financial instrument is recognized in income. Gains and losses on financial instruments used for hedging purposes are recognized in the Consolidated Income Statement in the same manner as the hedged item.

The cash flow impact of financial instruments is reflected as cash flows from operating activities in the Consolidated Statement of Cash Flows. See Note 3 for further discussion of Enron's price risk management activities.

Accounting for Oil and Gas Producing Activities. Enron accounts for oil and gas exploration and production activities under the successful efforts method of accounting. All development wells and related production equipment and lease acquisition costs are capitalized when incurred. Unproved properties are assessed regularly and any impairment in value is recognized. Lease rentals and exploration costs, other than the costs of drilling exploratory wells, are expensed as incurred. Unsuccessful exploratory wells are expensed when determined to be non-productive.

Exploration costs and dry hole costs are included in the Consolidated Statement of Cash Flows as investing activities.

Accounting for Development Activity. Development costs related to projects, including costs of feasibility studies, bid preparation, permitting, licensing and contract negotiation, are expensed as incurred until the project is estimated to be probable. At that time, such costs are capitalized or expensed as incurred, based on the nature of the costs incurred. Capitalized development costs may be recovered through

reimbursements from joint venture partners or other third parties, or classified as part of the investment and recovered through the cash flows from that project. Accumulated capitalized project development costs are otherwise expensed in the period that management determines it is probable that the costs will not be recovered.

Environmental Expenditures. Expenditures that relate to an existing condition caused by past operations, and do not contribute to current or future revenue generation, are expensed. Environmental expenditures relating to current or future revenues are expensed or capitalized as appropriate based on the nature of the costs incurred. Liabilities are recorded when environmental assessments and/or clean-ups are probable and the costs can be reasonably estimated.

Computer Software. Enron's accounting policy for the costs of computer software (all of which is for internal use only) is to capitalize direct costs of materials and services consumed in developing or obtaining software, including payroll and payroll-related costs for employees who are directly associated with and who devote time to the software project. Costs may begin to be capitalized once the application development stage has begun. All other costs are expensed as incurred. Enron amortizes the costs on a straight-line basis over the useful life of the software. Impairment is evaluated based on changes in the expected usefulness of the software. At December 31, 1999 and 1998, Enron has capitalized \$240 million and \$189 million, respectively, of software costs covering numerous systems, including trading and settlement, billing and payroll systems and upgrades.

Investments in Unconsolidated Affiliates. Investments in unconsolidated affiliates are accounted for by the equity method, except for certain investments resulting from Enron's merchant investment activities which are included at market value in "Other Investments" in the Consolidated Balance Sheet. See Notes 4 and 9. Where acquired assets are accounted for under the equity method based on temporary control, earnings or losses are recognized only for the portion of the investment to be retained.

Foreign Currency Translation. For international subsidiaries, asset and liability accounts are translated at year-end rates of exchange and revenue and expenses are translated at average exchange rates prevailing during the year. For subsidiaries whose functional currency is deemed to be other than the U.S. dollar, translation adjustments are included as a separate component of other comprehensive income and shareholders' equity. Currency transaction gains and losses are recorded in income.

Reclassifications. Certain reclassifications have been made to the consolidated financial statements for prior years to conform with the current presentation.

2 BUSINESS ACQUISITIONS AND DISPOSITIONS

On August 16, 1999, Enron exchanged approximately 62.3 million shares (approximately 75%) of the Enron Oil & Gas Company (EOG) common stock it held for all of the stock of EOGI-India, Inc., a subsidiary of EOG. EOGI-India, Inc. indirectly owns oil and gas operations in India and China and \$600 million of cash. Also in August 1999, Enron received net proceeds of approximately \$190 million for the sale of 8.5 million shares of EOG common stock in a public offering and issued approximately \$255 million of public debt that is exchangeable in July 2002 into approximately 11.5 million shares of EOG common stock. As a result of the share

exchange and share sale, Enron recorded a pre-tax gain of \$454 million (\$345 million after tax, or \$0.45 per diluted share) in 1999. Enron retained 11.5 million shares of EOG stock (now EOG Resources, Inc.) which will be exchanged at the maturity of the debt. As of August 16, 1999, EOG is no longer included in Enron's consolidated financial statements. As a result, net property, plant and equipment decreased by approximately \$2,400 million, short- and long-term debt decreased by approximately \$1,800 million and minority interests decreased by approximately \$600 million. EOGI-India, Inc. is included in the consolidated financial statements within the Wholesale Energy Operations and Services following the exchange and sale.

In August 1998, Enron, through a wholly-owned subsidiary, completed the acquisition of a controlling interest in Elektro Eletricidade e Servicos S.A. (Elektro), an electricity distributor in Brazil, for approximately \$1.3 billion. Enron's interest in Elektro is held by Jacare Electrical Distribution Trust (Jacare) and was initially accounted for using the equity method based on temporary control. In December 1998, Enron financially closed the Elektro financial restructuring, reducing its interest in Jacare to 51%. Following the decision by Enron to acquire additional interests in Elektro, Enron consolidated Jacare effective January 1, 1999. Jacare's balance sheet at that date consisted of net assets of approximately \$1,340 million, including goodwill of approximately \$990 million, net property, plant and equipment of approximately \$1,100 million and debt of approximately \$900 million. As a result of the consolidation, as of January 1, 1999, Enron's investment in unconsolidated affiliates decreased by approximately \$450 million and minority interests increased by approximately \$890 million. During 1999, the exchange rate for the Brazilian real to the U.S. dollar declined, resulting in a non-cash foreign currency translation adjustment which reduced Enron's Brazilian assets (primarily Elektro) and shareholders' equity by approximately \$600 million.

In November 1997, Enron acquired the minority interest in Enron Global Power & Pipelines L.L.C. (EPP) in a stock-for-stock transaction. Enron issued approximately 23 million common shares in exchange for the EPP shares held by the minority shareholders.

Effective July 1, 1997, Enron merged with Portland General Corporation (PGC) in a stock-for-stock transaction. Enron issued approximately 101 million common shares to shareholders of PGC and assumed PGC's outstanding debt of approximately \$1.1 billion.

Additionally, during 1999, 1998 and 1997, Enron acquired generation, natural gas distribution, renewable energy, telecommunications and energy management businesses for cash, Enron and subsidiary stock and notes.

Enron has accounted for these acquisitions using the purchase method of accounting as of the effective date of each transaction. Accordingly, the purchase price of each transaction has been allocated based upon the estimated fair value of the assets and liabilities acquired as of the acquisition date, with the excess reflected as goodwill in the Consolidated Balance Sheet. This goodwill is being amortized on a straight-line basis over 5 to 40 years.

Assets acquired, liabilities assumed and consideration paid as a result of businesses acquired were as follows:

(In millions)	1999	1998(a)	1997
---------------	------	---------	------

Fair value of assets acquired,			
other than cash	\$ 376	\$ 269	\$ 3,829
Goodwill	(71)	94	1,847
Fair value of liabilities assumed	6	(259)	(3,235)
Common stock of Enron and subsidiary issued	-	-	(2,359)
Net cash paid	\$ 311	\$ 104	\$ 82

(a) Excludes amounts related to the 1998 acquisition of Elektro prior to the consolidation of Jacare.

If the PGC and EPP acquisitions had occurred at the beginning of 1997, Enron's 1997 consolidated revenues would have been \$20,950 million, income before interest, minority interests and income taxes would have been \$716 million, net income would have been \$181 million and earnings per share would have been \$0.27 (basic) and \$0.26 (diluted). These unaudited pro forma results are for illustrative purposes only and are not necessarily indicative of the operating results that would have occurred had the business acquisitions been consummated at that date, nor are they necessarily indicative of future operating results.

On November 8, 1999, Enron announced that it had entered into an agreement to sell Enron's wholly-owned electric utility subsidiary, Portland General Electric Company (PGE), to Sierra Pacific Resources for \$2.1 billion, comprised of \$2.02 billion in cash and the assumption of Enron's approximately \$80 million merger payment obligation. Sierra Pacific Resources will also assume approximately \$1 billion in PGE debt and preferred stock. The proposed transaction, which is subject to customary regulatory approvals, is expected to close in late 2000. Enron's carrying amount of PGE is approximately \$1.4 billion. Income before interest, minority interest and income taxes for PGE was \$298 million and \$284 million for 1999 and 1998, respectively, and \$114 million for the six months ended December 31, 1997.

3 PRICE RISK MANAGEMENT ACTIVITIES AND FINANCIAL INSTRUMENTS

Trading Activities. Enron, through its Wholesale Energy Operations and Services (Enron Wholesale) and Retail Energy Services (Energy Services) segments, offers price risk management services to wholesale, commercial and industrial customers through a variety of financial and other instruments including forward contracts involving physical delivery of an energy commodity, swap agreements, which require payments to (or receipt of payments from) counterparties based on the differential between a fixed and variable price for the commodity, options and other contractual arrangements. Interest rate risks and foreign currency risks associated with the fair value of the commodity portfolio are managed using a variety of financial instruments, including financial futures.

Notional Amounts and Terms. The notional amounts and terms of these instruments at December 31, 1999 are shown below (volumes in trillions of British thermal units equivalent (TBTue), dollars in millions):

Fixed Price Payor	Fixed Price Receiver	Maximum Terms in Years
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Commodities			
Natural gas	6,642	5,921	24
Crude oil and liquids	1,342	749	7
Electricity	1,853	1,606	25
Other	352	541	10
Financial products			
Interest rate(a)	\$2,151	\$4,288	29
Foreign currency	619	88	15
Equity investments	2,195	882	14

(a) The interest rate fixed price receiver includes the net notional dollar value of the interest rate sensitive component of the combined commodity portfolio. The remaining interest rate fixed price receiver and the entire interest rate fixed price payor represent the notional contract amount of a portfolio of various financial instruments used to hedge the net present value of the commodity portfolio. For a given unit of price protection, different financial instruments require different notional amounts.

Enron Wholesale and Energy Services include sales and purchase commitments associated with commodity contracts based on market prices totaling 9,013 TBtue, with terms extending up to 21 years.

Notional amounts reflect the volume of transactions but do not represent the amounts exchanged by the parties to the financial instruments. Accordingly, notional amounts do not accurately measure Enron's exposure to market or credit risks. The maximum terms in years detailed above are not indicative of likely future cash flows as these positions may be offset in the markets at any time in response to the company's price risk management needs to the extent available in the market.

The volumetric weighted average maturity of Enron's fixed price portfolio as of December 31, 1999 was approximately 2.0 years.

Fair Value. The fair value as of December 31, 1999 and the average fair value of instruments related to price risk management activities, including energy related commodities together with the related foreign currency and interest rate instruments, other commodities and equities held during the year are set forth below:

(In millions)	Fair Value as of 12/31/99		Average Fair Value for the Year Ended 12/31/99(a)	
	Assets	Liabilities	Assets	Liabilities
Natural gas	\$3,267	\$2,335	\$3,080	\$2,506
Crude oil and liquids	649	1,832	806	1,486
Electricity	906	380	726	352
Other commodities	163	32	219	129
Equity	486	247	165	149
Total	\$5,471	\$4,826	\$4,996	\$4,622

(a) Computed using the ending balance at each month-end.

The income before interest, taxes and certain unallocated expenses arising from price risk management activities for 1999 was \$765 million.

Credit Risk. In conjunction with the valuation of its financial instruments, Enron provides reserves for risks associated with such activity, including credit risk. Credit risk relates to the risk of loss that Enron would incur as a result of nonperformance by counterparties pursuant to the terms of their contractual obligations. Enron maintains credit policies with regard to its counterparties that management believes significantly minimize overall credit risk. These policies include an evaluation of potential counterparties' financial condition (including credit rating), collateral requirements under certain circumstances and the use of standardized agreements which allow for the netting of positive and negative exposures associated with a single counterparty. Enron also minimizes this credit exposure using monetization of its contract portfolio or third-party insurance contracts. The counterparties associated with assets from price risk management activities as of December 31, 1999 and 1998 are summarized as follows:

(In millions)	1999		1998	
	Investment Grade(a)	Total	Investment Grade(a)	Total
Gas and electric utilities	\$1,461	\$1,510	\$1,181	\$1,251
Energy marketers	544	768	684	795
Financial institutions	1,016	1,273	505	505
Independent power producers	471	641	416	613
Oil and gas producers	379	688	365	549
Industrials	336	524	229	341
Other	59	67	101	116
Total	\$4,266	5,471	\$3,481	4,170
Credit and other reserves		(337)		(325)
Assets from price risk management activities(b)		\$5,134		\$3,845

- (a) "Investment Grade" is primarily determined using publicly available credit ratings along with consideration of collateral, which encompass standby letters of credit, parent company guarantees and property interests, including oil and gas reserves. Included in "Investment Grade" are counterparties with a minimum Standard & Poor's or Moody's rating of BBB- or Baa3, respectively.
- (b) Two customers' exposures at December 31, 1999 and 1998 comprise greater than 5% of Assets From Price Risk Management Activities and are included above as Investment Grade.

This concentration of counterparties may impact Enron's overall exposure to credit risk, either positively or negatively, in that the counterparties may be similarly affected by changes in economic, regulatory or other conditions. Based on Enron's policies, its exposures and its credit and other reserves, Enron does not anticipate a materially adverse effect on financial position or results of operations as a result of counterparty nonperformance.

Non-Trading Activities. Enron's other businesses also enter into swaps and other contracts primarily for the purpose of

hedging the impact of market fluctuations on assets, liabilities, production or other contractual commitments.

Energy Commodity Price Swaps. At December 31, 1999, Enron was a party to energy commodity price swaps covering 15.4 TBtu, 3.5 TBtu and 15.0 TBtu of natural gas for the years 2000, 2001 and 2002, respectively, and 2.2 million barrels of crude oil for the year 2000.

Interest Rate Swaps. At December 31, 1999, Enron had entered into interest rate swap agreements with an aggregate notional principal amount of \$2.2 billion to manage interest rate exposure. These swap agreements are scheduled to terminate \$1.4 billion in 2000 and \$0.8 billion in the period 2001 through 2008.

Equity Contracts. At December 31, 1999, Enron had entered into Enron common stock swaps, with an aggregate notional amount of \$60 million, to hedge certain incentive-based compensation plans. Such contracts will expire in 2000.

Credit Risk. While notional amounts are used to express the volume of various financial instruments, the amounts potentially subject to credit risk, in the event of nonperformance by the third-parties, are substantially smaller. Counterparties to forwards, futures and other contracts are equivalent to investment grade financial institutions. Accordingly, Enron does not anticipate any material impact to its financial position or results of operations as a result of nonperformance by the third-parties on financial instruments related to non-trading activities.

Enron has concentrations of customers in the electric and gas utility and oil and gas exploration and production industries. These concentrations of customers may impact Enron's overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic or other conditions. However, Enron's management believes that its portfolio of receivables is well diversified and that such diversification minimizes any potential credit risk. Receivables are generally not collateralized.

Financial Instruments. The carrying amounts and estimated fair values of Enron's financial instruments, excluding trading activities which are marked to market, at December 31, 1999 and 1998 were as follows:

(In millions)	1999		1998	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Short- and long-term debt (Note 7)	\$8,152	\$8,108	\$7,357	\$7,624
Company-obligated preferred securities of subsidiaries (Note 10)	1,000	937	1,001	1,019
Energy commodity price swaps	-	(3)	-	(5)
Interest rate swaps	-	(55)	-	12
Equity contracts	4	4	-	-

Enron uses the following methods and assumptions in estimating fair values: (a) short- and long-term debt - the carrying amount of variable-rate debt approximates fair value, the fair value of

marketable debt is based on quoted market prices and the fair value of other debt is based on the discounted present value of cash flows using Enron's current borrowing rates; (b) company-obligated preferred securities of subsidiaries - the fair value is based on quoted market prices, where available, or based on the discounted present value of cash flows using Enron's current borrowing rates if not publicly traded; and (c) energy commodity price swaps, interest rate swaps and equity contracts - estimated fair values have been determined using available market data and valuation methodologies. Judgment is necessarily required in interpreting market data and the use of different market assumptions or estimation methodologies may affect the estimated fair value amounts.

The fair market value of cash and cash equivalents, trade and other receivables, accounts payable and investments accounted for at fair value are not materially different from their carrying amounts.

Guarantees of liabilities of unconsolidated entities and residual value guarantees have no carrying value and fair values which are not readily determinable (see Note 15).

4 MERCHANT ACTIVITIES

An analysis of the composition of Enron's wholesale merchant investments and energy assets at December 31, 1999 and 1998 is as follows:

(In millions)	December 31,	
	1999	1998
Merchant investments		
Held directly by Enron (a)		
Energy	\$ 516	\$ 279
Energy-intensive industries	218	331
Natural gas transportation	-	132
Other	352	334
	1,086	1,076
Held through unconsolidated affiliates (b)		
Energy	401	610
Power generation	98	-
Oil services	25	123
Other	88	50
	612	783
	1,698	1,859
Merchant assets (c)		
Independent power plants	152	148
Natural gas transportation	35	38
	187	186
Total	\$1,885	\$2,045

- (a) Investments are recorded at fair value in "Other Assets" with fair value adjustments reflected in "Other Revenues."
- (b) Investments held through unconsolidated equity affiliates and recorded in "Investment in and Advances to Unconsolidated Equity Affiliates" with earnings reflected in "Equity in Earnings of Unconsolidated Equity Affiliates." Amounts represent Enron's interest.

- (c) Amounts represent Enron's investment in unconsolidated equity affiliates with earnings reflected in "Equity in Earnings of Unconsolidated Equity Affiliates."

Through the Enron Wholesale segment, Enron provides capital primarily to energy and communications-related businesses seeking debt or equity financing. The merchant investments made by Enron and carried at fair value include public and private equity, debt, production payments, government securities with maturities of more than 90 days and interests in limited partnerships. The valuation methodologies utilize market values of publicly-traded securities, independent appraisals and cash flow analyses.

Also included in Enron's wholesale business are investments in merchant assets such as power plants and natural gas pipelines, primarily held through equity method investments. Some of these assets were developed, constructed and operated by Enron. The merchant assets are not expected to be long-term, integrated components of Enron's energy networks.

From time to time, Enron sells interests in these merchant assets and investments. Some of these sales are completed in securitizations, in which Enron retains certain interests through swaps associated with the underlying assets. Such swaps are adjusted to fair value using quoted market prices, if available, or estimated fair value based on management's best estimate of the present value of future cash flow. These swaps are included in Price Risk Management activities. See Note 3. For the years ended December 31, 1999, 1998 and 1997, respectively, pre-tax gains from sales of merchant assets and investments totaling \$756 million, \$628 million and \$136 million are included in "Other Revenues," and proceeds were \$2,217 million, \$1,434 million and \$339 million.

5 INCOME TAXES

The components of income before income taxes are as follows:

(In millions)	1999	1998	1997
United States	\$ 357	\$197	\$96
Foreign	771	681	(81)
	\$1,128	\$878	\$15

Total income tax expense (benefit) is summarized as follows:

(In millions)	1999	1998	1997
Payable currently			
Federal	\$ 29	\$ 30	\$ 29
State	6	8	9
Foreign	48	50	46
	83	88	84
Payment deferred			
Federal	(159)	(14)	(39)
State	23	11	(42)
Foreign	157	90	(93)
	21	87	(174)

Total income tax expense (benefit) \$104 \$175 \$ (90)

The differences between taxes computed at the U.S. federal statutory tax rate and Enron's effective income tax rate are as follows:

(In millions, except percentages)	1999	1998	1997	
Statutory federal income tax provision	35.0%	35.0%	35.0%	\$ 5
Net state income taxes	1.8	1.7	(140.0)	(21)
Tight gas sands tax credit	(0.5)	(1.4)	(80.0)	(12)
Foreign tax rate differential	(7.0)	0.8	13.3	2
Equity earnings	(10.1)	(4.3)	(253.3)	(38)
Minority interests	0.8	0.8	186.7	28
Basis and stock sale differences	(10.8)	(14.2)	(526.7)	(79)
Cash value in life insurance	(0.9)	(1.1)	(46.7)	(7)
Goodwill amortization	1.6	2.0	60.0	9
Audit settlement related to				
Monthly Income Preferred Shares	(1.8)	-	-	-
Other	1.1	0.7	153.4	23
	9.2%	20.0%	(598.3)%	\$ (90)

The principal components of Enron's net deferred income tax liability are as follows:

(In millions)	December 31, 1999	1998
Deferred income tax assets		
Alternative minimum tax credit carryforward	\$ 220	\$ 238
Net operating loss carryforward	1,302	605
Other	188	111
	1,710	954
Deferred income tax liabilities		
Depreciation, depletion and amortization	1,807	1,940
Price risk management activities	1,133	645
Other	782	700
	3,722	3,285
Net deferred income tax liabilities(a)	\$2,012	\$2,331

(a) Includes \$118 million and \$(26) million in other current liabilities for 1999 and 1998, respectively.

Enron has an alternative minimum tax (AMT) credit carryforward of approximately \$220 million which can be used to offset regular income taxes payable in future years. The AMT credit has an indefinite carryforward period.

Enron has a federal consolidated net operating loss carryforward for tax purposes of approximately \$2.9 billion, which will begin to expire in 2011. Enron also has a net operating loss carryforward applicable to non-U.S. subsidiaries of approximately \$874 million, of which \$673 million can be

carried forward indefinitely. The remaining \$201 million of net operating loss carryforward will begin to expire in 2002 but is projected to be utilized before its expiration period. The benefits of the domestic and foreign net operating losses have been recognized as deferred tax assets.

U.S. and foreign income taxes have been provided for earnings of foreign subsidiary companies that are expected to be remitted to the U.S. Foreign subsidiaries' cumulative undistributed earnings of approximately \$1.2 billion are considered to be indefinitely reinvested outside the U.S. and, accordingly, no U.S. income taxes have been provided thereon. In the event of a distribution of those earnings in the form of dividends, Enron may be subject to both foreign withholding taxes and U.S. income taxes net of allowable foreign tax credits.

6 SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for income taxes and interest expense, including fees incurred on sales of accounts receivable, is as follows:

(In millions)	1999	1998	1997
Income taxes (net of refunds)	\$ 51	\$ 73	\$ 68
Interest (net of amounts capitalized)	678	585	420

Non-Cash Activity. In December 1999, Enron and a third-party investor each contributed assets valued at approximately \$500 million for interests in an Enron-controlled limited partnership. See Note 8.

In June 1999, Enron entered into a series of transactions with a third party, LJM Cayman, L.P., which resulted in an exchange of assets. See Note 16.

During 1999, Enron received the rights to specific third-party fiber optic cable in exchange for the rights on specific fiber optic cable held for sale by Enron. These exchanges resulted in non-cash increases to property, plant and equipment of \$111 million.

During 1999, Enron issued approximately 7.6 million shares of common stock in connection with the acquisition, by an unconsolidated equity affiliate, of interests in three power plants in New Jersey. During 1997, Enron issued common stock in connection with other business acquisitions. See Note 2.

In December 1998, Enron extinguished its 6.25% Exchangeable Notes with 10.5 million shares of EOG common stock.

Additionally, Enron's investment in Jacare has been consolidated effective January 1, 1999 (see Note 2) and Whitewing Associates, L.P. (Whitewing) and EOG are no longer consolidated by Enron (see Notes 9 and 2).

7 CREDIT FACILITIES AND DEBT

Enron has credit facilities with domestic and foreign banks which provide for an aggregate of \$1.0 billion in long-term committed credit and \$1.8 billion in short-term committed credit. Expiration dates of the committed facilities range from April 2000 to November 2001. Interest rates on borrowings are based

upon the London Interbank Offered Rate, certificate of deposit rates or other short-term interest rates. Certain credit facilities contain covenants which must be met to borrow funds. Such debt covenants are not anticipated to materially restrict Enron's ability to borrow funds under such facilities. Compensating balances are not required, but Enron is required to pay a commitment or facility fee. At December 31, 1999, no amounts were outstanding under these facilities.

Enron has also entered into agreements which provide for uncommitted lines of credit totaling \$225 million at December 31, 1999. The uncommitted lines have no stated expiration dates. Neither compensating balances nor commitment fees are required, as borrowings under the uncommitted credit lines are available subject to agreement by the participating banks. At December 31, 1999, \$125 million was outstanding under the uncommitted lines.

In addition to borrowing from banks on a short-term basis, Enron and certain of its subsidiaries sell commercial paper to provide financing for various corporate purposes. As of December 31, 1999 and 1998, short-term borrowings of \$330 million and \$680 million, respectively, have been reclassified as long-term debt based upon the availability of committed credit facilities with expiration dates exceeding one year and management's intent to maintain such amounts in excess of one year subject to overall reductions in debt levels. Similarly, at December 31, 1999 and 1998, \$670 million and \$541 million, respectively, of long-term debt due within one year remained classified as long-term. Weighted average interest rates on short-term debt outstanding at December 31, 1999 and 1998 were 6.4% and 5.5%, respectively.

Detailed information on long-term debt is as follows:

(In millions)	December 31,	
	1999	1998
Enron Corp.		
Senior debentures		
6.75% to 8.25% due 2005 to 2012	\$ 318	\$ 350
Notes payable		
7.00% exchangeable notes due 2002	239	-
6.45% to 9.88% due 2001 to 2028	4,209	3,342
Floating rate notes due 1999 to 2004	329	400
Other	34	38
Northern Natural Gas Company		
Notes payable		
6.75% to 8.00% due 2005 to 2011	500	500
Transwestern Pipeline Company		
Notes payable		
7.55% to 9.20% due 2000 to 2004	142	147
Portland General		
First mortgage bonds		
6.47% to 9.46% due 1999 to 2023	398	502
Pollution control bonds		
Various rates due 2010 to 2033	200	200
Other	150	160
Enron Oil & Gas Company		
Notes payable various rates due 1999 to 2028	-	780
Other	356	302
Amount reclassified from short-term debt	330	680
Unamortized debt discount and premium	(54)	(44)
Total long-term debt	\$7,151	\$7,357

The indenture securing Portland General's First Mortgage Bonds constitutes a direct first mortgage lien on substantially all electric utility property and franchises, other than expressly excepted property.

The aggregate annual maturities of long-term debt outstanding at December 31, 1999 were \$670 million, \$569 million, \$432 million, \$494 million and \$493 million for 2000 through 2004, respectively.

8 MINORITY INTERESTS

Enron's minority interests at December 31, 1999 and 1998 include the following:

(In millions)	1999	1998
Majority-owned limited partnerships	\$1,773	\$ 750
Jacare Electrical Distribution Trust (see Note 2)	475	-
Enron Oil & Gas Company (see Note 2)	-	596
Whitewing Associates, L.P. (see Note 9)	-	500
Other	182	297
	\$2,430	\$2,143

Enron has formed separate limited partnerships with third-party investors for various purposes. These entities are included in Enron's consolidated financial statements, with the third-party investors' interests reflected in "Minority Interests" in the Consolidated Balance Sheet.

During 1999, third-party investors contributed cash and merchant investments totaling \$1.0 billion to Enron-sponsored entities to invest in highly liquid investment grade securities (including Enron notes) and short-term receivables. The merchant investments, totaling \$500 million, were sold prior to December 31, 1999.

In 1998, Enron formed a wholly-owned limited partnership for the purpose of holding \$1.6 billion of assets contributed by Enron. That partnership contributed \$850 million of assets to a second newly-formed limited partnership in exchange for a 53% interest; a third-party investor contributed \$750 million in exchange for a 47% interest. The assets held by the wholly-owned limited partnership represent collateral for a \$750 million note receivable held by the second limited partnership. In 1999, the wholly-owned and second limited partnerships sold assets valued at approximately \$460 million and invested the proceeds in Enron notes.

Absent certain defaults or other specified events, Enron has the option to acquire the minority holders' interests in these partnerships. If Enron does not acquire the minority holders' interests before December 2004 through May 2009, or earlier upon certain specified events, the entities will liquidate their assets and dissolve.

9 UNCONSOLIDATED EQUITY AFFILIATES

Enron's investment in and advances to unconsolidated

affiliates which are accounted for by the equity method is as follows:

(In millions)	Net Ownership Interest	December 31,	
		1999	1998
Azurix Corp.	34%	\$ 762	\$ 918
Citrus Corp.	50%	480	455
Companhia Distribuidora de Gas do Rio de Janeiro, S.A.	25%	118	192
Dabhol Power Company(a)	60%	466	285
Enron Teesside Operations Limited	50%	129	118
Jacare Electrical Distribution Trust(a) (see Note 2)	51%	-	447
Joint Energy Development Investments L.P. (JEDI) (b)	50%	211	356
Joint Energy Development Investments II L.P. (JEDI II) (b)	50%	162	54
SK - Enron Co. Ltd.	50%	269	-
Transportadora de Gas del Sur S.A.	35%	452	463
Whitewing Associates, L.P.	50%	662	-
Other		1,325	1,145
		\$5,036 (c)	\$4,433

(a) Accounted for under the equity method based on temporary control.

(b) JEDI and JEDI II account for their investments at fair value.

(c) At December 31, 1999 and 1998, the unamortized excess of Enron's investment in unconsolidated affiliates was \$179 million and \$203 million, respectively, which is being amortized over the expected lives of the investments.

Enron's equity in earnings (losses) of unconsolidated equity affiliates is as follows:

(In millions)	1999	1998	1997
Citrus Corp.	\$ 25	\$ 23	\$ 27
Dabhol Power Company	30	-	-
Joint Energy Development Investments L.P.	11	(45)	68
Joint Energy Development Investments II, L.P.	92	(4)	-
Transportadora de Gas del Sur S.A.	32	36	45
Other	119	87	76
	\$309	\$ 97	\$216

Summarized combined financial information of Enron's unconsolidated affiliates is presented below:

(In millions)	December 31,	
	1999	1998

Balance sheet

Current assets(a)	\$ 3,168	\$ 2,309
Property, plant and equipment, net	14,356	12,640
Other noncurrent assets	9,459	7,176
Current liabilities(a)	4,401	3,501
Long-term debt(a)	8,486	7,621
Other noncurrent liabilities	2,402	2,016
Owners' equity	11,694	8,987

(a) Includes \$327 million and \$196 million receivable from Enron and \$84 million and \$296 million payable to Enron at December 31, 1999 and 1998, respectively.

(In millions)	1999	1998	1997
Income statement(a)			
Operating revenues	\$11,568	\$8,508	\$11,183
Operating expenses	9,449	7,244	10,246
Net income	1,857	142	336
Distributions paid to Enron	482	87	118

(a) Enron recognized revenues from transactions with unconsolidated equity affiliates of \$161 million in 1999, \$142 million in 1998 and \$219 million in 1997.

In 1998, Enron, through a wholly-owned subsidiary, acquired Wessex Water Plc (Wessex), which provides water supply and wastewater services in southern England, for approximately \$2.4 billion. Wessex is held through Azurix Corp. As a result of a financial restructuring in late 1998 and a public offering in 1999, Enron has reduced its ownership in Azurix to 34%.

In 1997, Enron and a third-party investor contributed approximately \$579 million and \$500 million, respectively, for interests in Whitewing. Whitewing purchased 250,000 shares of Enron Series A Junior Convertible Preferred Stock (Series A Preferred Stock) from Enron. In March 1999, Whitewing was amended to allow, among other things, control to be shared equally between Enron and the third-party investor. Consequently, Whitewing was deconsolidated by Enron, resulting in an increase in Enron's investment in unconsolidated equity affiliates of approximately \$500 million, an increase in preferred stock of \$1.0 billion and a decrease in minority interests of \$500 million. In September 1999, Enron entered into a series of transactions that resulted in the restructuring of Whitewing, including the exchange of all outstanding shares of Series A Preferred Stock held by Whitewing for 250,000 shares of Enron Mandatorily Convertible Junior Preferred Stock, Series B (Series B Preferred Stock) (see Note 10). In addition, Enron entered into a Share Settlement Agreement under which Enron could be obligated, under certain circumstances, to deliver additional shares of common stock or Series B Preferred Stock to Whitewing for the amount that the market price of the converted Enron common shares is less than \$28 per share. The number of shares of Series B Preferred Stock authorized equals the number of shares necessary to satisfy Enron's obligation under the Share Settlement Agreement. Absent certain defaults or other specified events, Enron has the option to acquire the outside investors' interests. If Enron does not acquire the outside investors' interests before January 2003, or earlier upon certain specified

events, Whitewing will liquidate its assets and dissolve.

From time to time, Enron has entered into various administrative service, management, construction, supply and operating agreements with its unconsolidated equity affiliates. Enron's management believes that its existing agreements and transactions are reasonable compared to those which could have been obtained from third parties.

10 PREFERRED STOCK

Preferred Stock. Following Enron's reincorporation in Oregon on July 1, 1997, Enron has authorized 16,500,000 shares of preferred stock, no par value. At December 31, 1999, Enron had outstanding 1,296,184 shares of Cumulative Second Preferred Convertible Stock (the Convertible Preferred Stock), no par value. The Convertible Preferred Stock pays dividends at an amount equal to the higher of \$10.50 per share or the equivalent dividend that would be paid if shares of the Convertible Preferred Stock were converted to common stock. Each share of the Convertible Preferred Stock is convertible at any time at the option of the holder thereof into 27.304 shares of Enron's common stock, subject to certain adjustments. The Convertible Preferred Stock is currently subject to redemption at Enron's option at a price of \$100 per share plus accrued dividends. During 1999, 1998 and 1997, 23,664 shares, 17,797 shares and 33,069 shares, respectively, of the Convertible Preferred Stock were converted into common stock.

In September 1999, Enron entered into a series of transactions that resulted in exchange of all outstanding shares of Series A Preferred Stock held by Whitewing for 250,000 shares of Series B Preferred Stock with a liquidation value of \$1.0 billion. The Series B Preferred Stock pays semi-annual cash dividends at an annual rate of 6.50%. Each share of Series B Preferred Stock is mandatorily convertible into 200 shares of Enron common stock on January 15, 2003 or earlier upon the occurrence of certain events. See Note 9.

In connection with the Elektro and Wessex financings, which yielded proceeds of approximately \$1.6 billion (see Notes 2 and 9, respectively), Enron committed to cause the sale of Enron convertible preferred stock, with the number of common shares issuable upon conversion determined based on future common stock prices, if certain debt obligations of the related entities acquiring such interests are defaulted upon, or in certain events, including, among other things, Enron's credit ratings falling below specified levels. If the sale of stock were not sufficient to retire such obligations, Enron would be liable for the shortfall. The obligations will mature in December 2000 and 2001 for Elektro and Wessex, respectively.

Company-Obligated Preferred Securities of Subsidiaries. Summarized information for Enron's company-obligated preferred securities of subsidiaries is as follows:

(In millions, except per share amounts and shares)	December 31,		Liquidation Value Per Share
	1999	1998	
Enron Capital LLC			
8% Cumulative Guaranteed Monthly Income Preferred Shares (MIPS) (8,550,000 shares) (a)	\$ 214	\$ 214	\$ 25

Enron Capital Trust I			
8.3% Trust Originated Preferred Securities (8,000,000 preferred securities) (a)	200	200	25
Enron Capital Trust II			
8 1/8% Trust Originated Preferred Securities (6,000,000 preferred securities) (a)	150	150	25
Enron Capital Trust III			
Adjustable-Rate Capital Trust Securities (200,000 preferred securities) (b)	200	200	1,000
Enron Equity Corp.			
8.57% Preferred Stock (880 shares) (a)	88	88	100,000
7.39% Preferred Stock (150 shares) (a) (c)	15	15	100,000
Enron Capital Resources, L.P.			
9% Cumulative Preferred Securities, Series A (3,000,000 preferred securities) (a)	75	75	25
Other	58	59	
	\$1,000	\$1,001	

(a) Redeemable under certain circumstances after specified dates.

(b) Mature in 2046.

(c) Mandatorily redeemable in 2006.

11 COMMON STOCK

Earnings Per Share. The computation of basic and diluted earnings per share is as follows:

(In millions, except per share amounts)	Year Ended December 31,		
	1999	1998	1997
Numerator:			
Basic			
Income before cumulative effect of accounting changes	\$1,024	\$ 703	\$ 105
Preferred stock dividends:			
Second Preferred Stock	(17)	(17)	(17)
Series A Preferred Stock	(30)	-	-
Series B Preferred Stock	(19)	-	-
Income available to common shareholders before cumulative effect of accounting changes	958	686	88
Cumulative effect of accounting changes	(131)	-	-
Income available to common share holders	\$ 827	\$ 686	\$ 88
Diluted			
Income available to common shareholders before cumulative effect of accounting changes	\$ 958	\$ 686	\$ 88
Effect of assumed conversion of dilutive securities:			
Second Preferred Stock(a)	17	17	-
Series A Preferred Stock(b)	-	-	-
Series B Preferred Stock(b)	-	-	-

Income before cumulative effect of accounting changes	975	703	88
Cumulative effect of accounting changes	(131)	-	-
Income available to common shareholders after assumed conversions	\$ 844	\$ 703	\$ 88
Denominator:			
Denominator for basic earnings per share - weighted-average shares	705	642	544
Effect of dilutive securities:			
Preferred stock(a)	36	36	-
Stock options	28	17	11
Dilutive potential common shares	64	53	11
Denominator for diluted earnings per share - adjusted weighted-average shares and assumed conversions	769	695	555
Basic earnings per share:			
Before cumulative effect of accounting changes	\$1.36	\$1.07	\$0.16
Cumulative effect of accounting changes	(0.19)	-	-
Basic earnings per share	\$1.17	\$1.07	\$0.16
Diluted earnings per share			
Before cumulative effect of accounting changes	\$1.27	\$1.01	\$0.16
Cumulative effect of accounting changes	(0.17)	-	-
Diluted earnings per share	\$1.10	\$1.01	\$0.16

- (a) For 1997, the dividends and conversion of preferred stock have been excluded from the computation because the conversion is antidilutive.
- (b) The Series A Preferred Stock and the Series B Preferred Stock were not included in the calculation of diluted earnings per share because conversion of these shares would be antidilutive (see Note 10).

On July 13, 1999, Enron announced a two-for-one common stock split effective August 13, 1999, to shareholders of record July 23, 1999. All share and per share amounts have been restated to reflect the stock split, and appropriate adjustments have been made in market prices of stock, conversion ratios of shares of convertible preferred stock and exercise price and number of shares subject to stock options. Effective with the stock split, the annual cash dividend rate on the common stock is \$0.50 per share.

Forward Contracts and Options. At December 31, 1999, Enron had forward contracts to purchase 22.6 million shares of Enron Corp. common stock, including approximately 12 million shares with JEDI, at an average price of \$41.52 per share. Enron may purchase the shares pursuant to the forward contracts with cash or an equivalent value of Enron common stock until April 2001. Shares potentially deliverable to the counterparty under the contracts are assumed to be outstanding in calculating diluted earnings per share unless they are antidilutive. At December 31, 1999, Enron also had outstanding non-employee options to purchase 6.4 million shares of Enron common stock at an exercise price of \$19.59 per share.

Stock Option Plans. Enron applies Accounting Principles Board (APB) Opinion 25 and related interpretations in accounting for its stock option plans. In accordance with APB Opinion 25, no compensation expense has been recognized for the fixed stock option plans. Compensation expense charged against income for

the restricted stock plan for 1999, 1998 and 1997 was \$131 million, \$58 million and \$14 million, respectively. Had compensation cost for Enron's stock option compensation plans been determined based on the fair value at the grant dates for awards under those plans, Enron's net income and earnings per share would have been \$827 million (\$1.08 per share basic, \$1.01 per share diluted) in 1999, \$674 million (\$1.02 per share basic, \$0.97 per share diluted) in 1998 and \$66 million (\$0.09 per share basic, \$0.09 per share diluted) in 1997.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with weighted-average assumptions for grants in 1999, 1998 and 1997, respectively: (i) dividend yield of 2.4%, 2.5% and 2.5%; (ii) expected volatility of 20.0%, 18.3% and 17.4%; (iii) risk-free interest rates of 5.6%, 5.0% and 5.9%; and (iv) expected lives of 3.7 years, 3.8 years and 3.7 years.

Enron has four fixed option plans (the Plans) under which options for shares of Enron's common stock have been or may be granted to officers, employees and non-employee members of the Board of Directors. Options granted may be either incentive stock options or nonqualified stock options and are granted at not less than the fair market value of the stock at the time of grant. The Plans provide for options to be granted with a stock appreciation rights feature; however, Enron does not presently intend to issue options with this feature. Under the Plans, Enron may grant options with a maximum term of 10 years. Options vest under varying schedules.

Summarized information for Enron's Plans is as follows:

	1999		1998		1997	
(Shares in thousands)	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	79,604	\$19.60	78,858	\$17.89	50,952	\$16.35
Granted	35,118	37.49	15,702	24.99	35,316	19.32
Exercised	(19,705)	18.08	(13,072)	15.70	(4,330)	11.65
Forfeited	(1,465)	24.51	(1,498)	19.77	(3,028)	17.63
Expired	(21)	18.79	(386)	19.76	(52)	17.30
Outstanding, end of year	93,531	26.74	79,604	19.60	78,858	17.89
Exercisable, end of year	52,803	22.56	45,942	\$18.16	42,504	\$16.78
Available for grant, end of year(a)	24,864		10,498		26,094	
Weighted average fair value of options granted		\$7.24		\$4.20		\$3.55

(a) Includes up to 22,140,962 shares, 10,497,670 shares and 24,492,080 shares as of December 31, 1999, 1998 and 1997, respectively, which may be issued either as restricted stock or pursuant to stock options.

The following table summarizes information about stock options outstanding at December 31, 1999 (shares in thousands):

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding at 12/31/99	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at 12/31/99	Weighted Average Exercise Price
\$ 6.58 to \$18.03	13,327	3.7	\$14.90	13,130	\$14.88
18.38 to 19.94	14,477	5.4	18.90	10,969	18.97
20.00 to 22.50	20,806	5.1	21.10	14,555	21.17
23.19 to 28.72	10,687	7.7	26.65	4,480	26.67
30.03 to 50.48	34,234	7.3	38.12	9,669	37.24
	93,531	6.1	\$26.74	52,803	\$22.56

Restricted Stock Plan. Under Enron's Restricted Stock Plan, participants may be granted stock without cost to the participant. The shares granted under this plan vest to the participants at various times ranging from immediate vesting to vesting at the end of a five-year period. Upon vesting, the shares are released to the participants. The following summarizes shares of restricted stock under this plan:

(Shares in thousands)	1999	1998	1997
Outstanding, beginning of year	6,034	5,074	1,650
Granted	2,672	2,122	4,176
Released to participants	(1,702)	(1,064)	(642)
Forfeited	(223)	(98)	(110)
Outstanding, end of year	6,781	6,034	5,074
Available for grant, end of year	22,141	10,498	24,492
Weighted average fair value of restricted stock granted	\$37.38	\$23.70	\$19.13

12 PENSION AND OTHER BENEFITS

Enron maintains a retirement plan (the Enron Plan) which is a noncontributory defined benefit plan covering substantially all employees in the United States and certain employees in foreign countries. The benefit accrual is in the form of a cash balance of 5% of annual base pay.

Portland General has a noncontributory defined benefit pension plan (the Portland General Plan) covering substantially all of its employees. Benefits under the Plan are based on years of service, final average pay and covered compensation.

Enron also maintains a noncontributory employee stock ownership plan (ESOP) which covers all eligible employees. Allocations to individual employees' retirement accounts within the ESOP offset a portion of benefits earned under the Enron Plan. All shares included in the ESOP have been allocated to the employee accounts. At December 31, 1999 and 1998, 17,241,731 shares and 21,838,100 shares, respectively, of Enron common stock were held by the ESOP, a portion of which may be used to offset benefits under the Enron Plan.

Assets of the Enron Plan and the Portland General Plan are comprised primarily of equity securities, fixed income securities

and temporary cash investments. It is Enron's policy to fund all pension costs accrued to the extent required by federal tax regulations.

Enron provides certain postretirement medical, life insurance and dental benefits to eligible employees and their eligible dependents. Benefits are provided under the provisions of contributory defined dollar benefit plans. Enron is currently funding that portion of its obligations under these postretirement benefit plans which are expected to be recoverable through rates by its regulated pipelines and electric utility operations.

Enron accrues these postretirement benefit costs over the service lives of the employees expected to be eligible to receive such benefits. Enron is amortizing the transition obligation which existed at January 1, 1993 over a period of approximately 19 years.

The following table sets forth information related to changes in the benefit obligations, changes in plan assets, a reconciliation of the funded status of the plans and components of the expense recognized related to Enron's pension and other postretirement plans:

(In millions)	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Change in benefit obligation				
Benefit obligation, beginning of year	\$687	\$617	\$134	\$148
Service cost	32	27	2	2
Interest cost	49	44	9	9
Plan participants' contributions	-	-	3	3
Plan amendments	6	-	-	3
Actuarial loss (gain)	(51)	26	(12)	(16)
Acquisitions and divestitures	36	-	-	-
Effect of curtailment and settlements(a)	(8)	-	-	-
Benefits paid	(43)	(27)	(16)	(15)
Benefit obligation, end of year	\$708	\$687	\$120	\$134
Change in plan assets				
Fair value of plan assets, beginning of year(b)	\$774	\$727	\$ 60	\$ 54
Actual return on plan assets	80	41	7	3
Acquisitions and divestitures	37	-	-	-
Employer contribution	5	33	6	8
Plan participants' contributions	-	-	3	3
Benefits paid	(43)	(27)	(8)	(8)
Fair value of plan assets, end of year(b)	\$853	\$774	\$ 68	\$ 60
Reconciliation of funded status, end of year				
Funded status, end of year	\$145	\$ 87	\$(52)	\$(74)
Unrecognized transition obligation (asset)	(13)	(18)	48	58
Unrecognized prior service cost	32	33	14	17
Unrecognized net actuarial loss (gain)	11	79	(29)	(10)
Prepaid (accrued) benefit cost	\$175	\$181	\$(19)	\$ (9)
Weighted-average assumptions at December 31				
Discount rate	7.75%	6.75%	7.75%	6.75%
Expected return on plan assets (pre-tax)	(c)	(c)	(d)	(d)
Rate of compensation increase	(e)	(e)	(e)	(e)

Components of net periodic benefit cost

Service cost	\$ 32	\$ 27	\$ 2	\$ 2
Interest cost	49	44	9	9
Expected return on plan assets	(70)	(63)	(4)	(3)
Amortization of transition obligation (asset)	(6)	(6)	4	4
Amortization of prior service cost	5	5	1	1
Recognized net actuarial loss (gain)	3	2	-	-
Effect of curtailment and settlements(a)	(6)	-	6	-
Net periodic benefit cost	\$ 7	\$ 9	\$ 18	\$ 13

- (a) Represents one-time nonrecurring events associated with the exchange and sale of EOG (see Note 2) and with certain employees ceasing participation in the Portland General Plan as a result of union negotiations.
- (b) Includes plan assets of the ESOP of \$121 million and \$139 million at December 31, 1999 and 1998, respectively.
- (c) Long-term rate of return on assets is assumed to be 10.5% for the Enron Plan and 9.0% for the Portland General Plan.
- (d) Long-term rate of return on assets is assumed to be 7.5% for the Enron assets and 9.5% for the Portland General assets.
- (e) Rate of compensation increase is assumed to be 4.0% for the Enron Plan and 4.0% to 9.5% for the Portland General Plan.

Included in the above amounts are the unfunded obligations for the supplemental executive retirement plans. At December 31, 1999 and 1998, respectively, the projected benefit obligation for these unfunded plans was \$56 million and \$57 million and the fair value of assets was \$1 million and \$2 million.

The measurement date of the Enron Plan and the ESOP is September 30, and the measurement date of the Portland General Plan and the postretirement benefit plans is December 31. The funded status as of the valuation date of the Enron Plan, the Portland General Plan, the ESOP and the postretirement benefit plans reconciles with the amount detailed above which is included in "Other Assets" on the Consolidated Balance Sheet.

For measurement purposes, 6% and 10% annual rates of increase in the per capita cost of covered health care benefits were assumed in 2000 for the Enron and Portland General postretirement plans, respectively. The rates were assumed to decrease to 5% by 2001 and 2010 for the Enron and Portland General postretirement plans, respectively. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

(In millions)	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service and interest cost components	\$0.4	\$(0.3)
Effect on postretirement benefit obligation	\$5.2	\$(4.7)

Additionally, certain Enron subsidiaries maintain various incentive based compensation plans for which participants may receive a combination of cash or stock options of the subsidiaries, based upon the achievement of certain performance goals.

13 RATES AND REGULATORY ISSUES

Rates and regulatory issues related to certain of Enron's natural gas pipelines and its electric utility operations are subject to final determination by various regulatory agencies. The domestic interstate pipeline operations are regulated by the Federal Energy Regulatory Commission (FERC) and the electric utility operations are regulated by the FERC and the Oregon Public Utility Commission (OPUC). As a result, these operations are subject to the provisions of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," which recognizes the economic effects of regulation and, accordingly, Enron has recorded regulatory assets and liabilities related to such operations.

The regulated pipelines operations' net regulatory assets were \$250 million and \$241 million at December 31, 1999 and 1998, respectively, and are expected to be recovered over varying time periods.

The electric utility operations' net regulatory assets were \$494 million at December 31, 1999 and 1998. Based on rates in place at December 31, 1999, Enron estimates that it will collect substantially all of its regulatory assets within the next 12 years.

Pipeline Operations. On May 1, 1998, Northern Natural Gas Company (Northern) filed a general rate case proceeding with the FERC which fulfilled a commitment made in a previous settlement. The FERC accepted the rate case for filing and suspended the filed rates. Northern implemented the filed rates effective November 1, 1998, subject to refund. An uncontested Stipulation and Agreement of Settlement (Settlement) was filed with the Commission on April 16, 1999 and an order approving the Settlement was issued by the Commission on June 18, 1999. Northern issued refunds on September 1, 1999. Northern effectuated new rates, which reflected seasonality, on November 1, 1999.

On November 1, 1999, Transwestern Pipeline Company implemented a rate escalation of settled transportation rates in accordance with its May 1995 global settlement, as amended in May 1996.

Electric Utility Operations. PGE is a 67.5% owner of the Trojan Nuclear Plant (Trojan). In March 1995, the OPUC issued an order authorizing PGE to recover all of the estimated costs of decommissioning Trojan and 87% of its remaining investment in the plant. At December 31, 1999, PGE's regulatory asset related to recovery of Trojan costs from customers was \$398 million. Amounts are to be collected over Trojan's original license period ending in 2011. An effort is being made to negate new legislation allowing PGE's recovery of a return on its undepreciated investment in Trojan, and a referendum will appear on the November 2000 ballot. See Note 14.

Enron believes, based upon its experience to date and after considering appropriate reserves that have been established, that the ultimate resolution of pending regulatory matters will not have a material impact on Enron's financial position or results of operations.

14 LITIGATION AND OTHER CONTINGENCIES

Enron is a party to various claims and litigation, the significant items of which are discussed below. Although no

assurances can be given, Enron believes, based on its experience to date and after considering appropriate reserves that have been established, that the ultimate resolution of such items, individually or in the aggregate, will not have a material adverse impact on Enron's financial position or its results of operations.

Litigation. In 1995, several parties (the Plaintiffs) filed suit in Harris County District Court in Houston, Texas, against Intratex Gas Company (Intratex), Houston Pipe Line Company and Panhandle Gas Company (collectively, the Enron Defendants), each of which is a wholly-owned subsidiary of Enron. The Plaintiffs were either sellers or royalty owners under numerous gas purchase contracts with Intratex, many of which have terminated. Early in 1996, the case was severed by the Court into two matters to be tried (or otherwise resolved) separately. In the first matter, the Plaintiffs alleged that the Enron Defendants committed fraud and negligent misrepresentation in connection with the "Panhandle program," a special marketing program established in the early 1980s. This case was tried in October 1996 and resulted in a verdict for the Enron Defendants. In the second matter, the Plaintiffs allege that the Enron Defendants violated state regulatory requirements and certain gas purchase contracts by failing to take the Plaintiffs' gas ratably with other producers' gas at certain times between 1978 and 1988. The trial court has certified a class action with respect to ratability claims. On April 30, 1999, the Texas Supreme Court granted Enron's petition for review and agreed to consider Enron's appeal of the class certification. The Enron Defendants deny the Plaintiffs' claims and have asserted various affirmative defenses, including the statute of limitations. The Enron Defendants believe that they have strong legal and factual defenses, and intend to vigorously contest the claims. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

On November 21, 1996, an explosion occurred in or around the Humberto Vidal Building in San Juan, Puerto Rico. The explosion resulted in fatalities, bodily injuries and damage to the building and surrounding property. San Juan Gas Company, Inc. (San Juan), an Enron subsidiary, operated a propane/air distribution system in the vicinity. Although San Juan did not provide service to the building, the National Transportation Safety Board (NTSB) concluded that the probable cause of the incident was propane leaking from San Juan's distribution system. San Juan and Enron strongly disagree. The NTSB found no path of migration of propane from San Juan's system to the building and no forensic evidence that propane fueled the explosion. Enron, San Juan, and four San Juan affiliates have been named, along with several third parties, as defendants in numerous lawsuits filed in U.S. District Court for the district of Puerto Rico and the Superior Court of Puerto Rico. These suits, which seek damages for wrongful death, personal injury, business interruption and property damage, allege that negligence of Enron, San Juan and its affiliates, among others, caused the explosion. Enron, San Juan and its affiliates are vigorously contesting the claims. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

Trojan Investment Recovery. In early 1993, PGE ceased commercial operation of Trojan. In April 1996 a circuit court judge in Marion County, Oregon, found that the OPUC could not authorize PGE to collect a return on its undepreciated investment

in Trojan, contradicting a November 1994 ruling from the same court. The ruling was the result of an appeal of PGE's March 1995 general rate order which granted PGE recovery of, and a return on, 87% of its remaining investment in Trojan. The 1994 ruling was appealed to the Oregon Court of Appeals and was stayed pending the appeal of the OPUC's March 1995 order. Both PGE and the OPUC have separately appealed the April 1996 ruling, which appeals were combined with the appeal of the November 1994 ruling at the Oregon Court of Appeals. On June 24, 1998, the Court of Appeals of the State of Oregon ruled that the OPUC does not have the authority to allow PGE to recover a rate of return on its undepreciated investment in the Trojan generating facility. The court upheld the OPUC's authorization of PGE's recovery of its undepreciated investment in Trojan.

PGE and the OPUC each filed petitions for review with the Oregon Supreme Court. On August 26, 1998, the Utility Reform Project filed a petition for review with the Oregon Supreme Court seeking review of that portion of the Oregon Court of Appeals decision relating to PGE's recovery of its undepreciated investment in Trojan. On April 29, 1999, the Oregon Supreme Court accepted the petitions for review. On June 16, 1999, Oregon House Bill 3220 authorizing the OPUC to allow recovery of a return on the undepreciated investment in property retired from service was signed. One of the effects of the bill is to affirm retroactively the OPUC's authority to allow PGE's recovery of a return on its undepreciated investment in the Trojan generating facility.

Relying on the new legislation, on July 2, 1999, PGE requested the Oregon Supreme Court to vacate the June 24, 1998, adverse ruling of the Oregon Court of Appeals, affirm the validity of the OPUC's order allowing PGE to recover a return on its undepreciated investment in Trojan and to reverse its decision accepting the Utility Reform Project's petition for review. The Utility Reform Project and the Citizens Utility Board, another party to the proceeding, opposed such request and submitted to the Oregon Secretary of State sufficient signatures in support of placing a referendum to negate the new legislation on the November 2000 ballot. The Oregon Supreme Court has indicated it will defer hearing the matter until after the November 2000 elections. Enron cannot predict the outcome of these actions. Additionally, due to uncertainties in the regulatory process, management cannot predict, with certainty, what ultimate rate-making action the OPUC will take regarding PGE's recovery of a rate of return on its Trojan investment. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

Environmental Matters. Enron is subject to extensive federal, state and local environmental laws and regulations. These laws and regulations require expenditures in connection with the construction of new facilities, the operation of existing facilities and for remediation at various operating sites. The implementation of the Clean Air Act Amendments is expected to result in increased operating expenses. These increased operating expenses are not expected to have a material impact on Enron's financial position or results of operations.

The Environmental Protection Agency (EPA) has informed Enron that it is a potentially responsible party at the Decorah Former Manufactured Gas Plant Site (the Decorah Site) in Decorah, Iowa, pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, also commonly known as Superfund). The manufactured gas plant in Decorah

ceased operations in 1951. A predecessor company of Enron purchased the Decorah Site in 1963. Enron's predecessor did not operate the gas plant and sold the Decorah Site in 1965. The EPA alleges that hazardous substances were released to the environment during the period in which Enron's predecessor owned the site, and that Enron's predecessor assumed the liabilities of the company that operated the plant. Enron contests these allegations. To date, the EPA has identified no other potentially responsible parties with respect to this site. Under the terms of administrative orders, Enron replaced affected topsoil and removed impacted subsurface soils in certain areas of the tract where the plant was formerly located. Enron completed the final removal actions at the site in November 1998 and concluded all remaining site activities in the spring of 1999. Enron submitted a final report on the work conducted at the site to the EPA. Enron does not expect to incur material expenditures in connection with this site.

Enron also received from the EPA an Order issued under CERCLA alleging that Enron and two other parties are responsible for the cost of demolition and proper disposal of two 110 foot towers that apparently had been used in the manufacture of carbon dioxide at a site called the "City Bumper Site" in Cincinnati, Ohio. The carbon dioxide plant, according to agency documents, was in operation from 1926 to 1966. Houston Natural Gas Corporation, a predecessor of Enron Corp., merged with Liquid Carbonic Industries (LCI) on January 31, 1969. Liquid Carbonic Corporation (LCC), a subsidiary of LCI, had title to the site. Twenty-eight days after the merger, on February 28, 1969, the site was sold to a third party. In 1984, LCC was sold to an unaffiliated party in a stock sale. Although Enron does not admit liability with respect to any costs at this site, it agreed to cooperate with the EPA and other potentially responsible parties to undertake the work contemplated by the EPA's Order. The tower demolition and removal activities were completed in October 1998, and a final project report has been submitted to the EPA. The EPA has confirmed through correspondence that all activities required by the order are complete.

Enron's natural gas pipeline companies conduct soil and groundwater remediation on a number of their facilities. Enron does not expect to incur material expenditures in connection with soil and groundwater remediation.

15 COMMITMENTS

Firm Transportation Obligations. Enron has firm transportation agreements with various joint venture pipelines. Under these agreements, Enron must make specified minimum payments each month. At December 31, 1999, the estimated aggregate amounts of such required future payments were \$65 million, \$68 million, \$69 million, \$70 million and \$74 million for 2000 through 2004, respectively, and \$515 million for later years.

The costs recognized under firm transportation agreements, including commodity charges on actual quantities shipped, totaled \$55 million, \$30 million and \$27 million in 1999, 1998 and 1997, respectively. Enron has assigned firm transportation contracts with two of its joint ventures to third parties and guaranteed minimum payments under the contracts averaging approximately \$36 million annually through 2001 and \$3 million in 2002.

Other Commitments. Enron leases property, operating facilities and equipment under various operating leases, certain of which contain renewal and purchase options and residual value

guarantees. Future commitments related to these items at December 31, 1999 were \$266 million, \$88 million, \$78 million, \$53 million and \$48 million for 2000 through 2004, respectively, and \$370 million for later years. Guarantees under the leases total \$715 million at December 31, 1999.

Total rent expense incurred during 1999, 1998 and 1997 was \$143 million, \$147 million and \$156 million, respectively.

In November 1999, a subsidiary of Enron made a contribution leaseback of assets in return for a preferred interest in an unconsolidated equity affiliate of Enron. As a result of this transaction, Enron has net future obligations of \$5 million each year for 2000 through 2004 and \$49 million thereafter.

Enron guarantees the performance of certain of its unconsolidated equity affiliates in connection with letters of credit issued on behalf of those entities. At December 31, 1999, a total of \$303 million of such guarantees were outstanding, including \$144 million on behalf of EOTT. In addition, Enron is a guarantor on certain liabilities of unconsolidated equity affiliates and other companies totaling approximately \$1,501 million at December 31, 1999, including \$427 million related to EOTT trade obligations. The EOTT letters of credit and guarantees of trade obligations are secured by the assets of EOTT. Enron has also guaranteed \$420 million in lease obligations for which it has been indemnified by an "Investment Grade" company. Management does not consider it likely that Enron would be required to perform or otherwise incur any losses associated with the above guarantees. In addition, certain commitments have been made related to capital expenditures and equity investments planned in 2000.

16 RELATED PARTY TRANSACTIONS

In June 1999, Enron entered into a series of transactions involving a third party and LJM Cayman, L.P. (LJM). LJM is a private investment company which engages in acquiring or investing in primarily energy-related investments. A senior officer of Enron is the managing member of LJM's general partner. The effect of the transactions was (i) Enron and the third-party amended certain forward contracts to purchase shares of Enron common stock, resulting in Enron having forward contracts to purchase Enron common shares at the market price on that day, (ii) LJM received 6.8 million shares of Enron common stock subject to certain restrictions and (iii) Enron received a note receivable and certain financial instruments hedging an investment held by Enron. Enron recorded the assets received and equity issued at estimated fair value. In connection with the transactions, LJM agreed that the Enron officer would have no pecuniary interest in such Enron common shares and would be restricted from voting on matters related to such shares. LJM repaid the note receivable in December 1999.

LJM2 Co-Investment, L.P. (LJM2) was formed in December 1999 as a private investment company which engages in acquiring or investing in primarily energy-related or communications-related businesses. In the fourth quarter of 1999, LJM2, which has the same general partner as LJM, acquired, directly or indirectly, approximately \$360 million of merchant assets and investments from Enron, on which Enron recognized pre-tax gains of approximately \$16 million. In December 1999, LJM2 entered into an agreement to acquire Enron's interests in an unconsolidated equity affiliate for approximately \$34 million. Additionally, LJM acquired other assets from Enron for \$11 million.

At December 31, 1999, JEDI held approximately 12 million shares of Enron Corp. common stock. The value of the Enron Corp. common stock has been hedged. In addition, an officer of Enron has invested in the limited partner of JEDI and from time to time acts as agent on behalf of the limited partner's management.

In 1999, Whitewing acquired approximately \$192 million of merchant assets from Enron. Enron recognized no gains or losses in connection with these transactions.

Management believes that the terms of the transactions with related parties are representative of terms that would be negotiated with unrelated third parties.

17 ASSET IMPAIRMENT

Continued significant changes in state and federal rules regarding the use of MTBE as a gasoline additive have significantly impacted Enron's view of the future prospects for this business. As a result, Enron completed a reevaluation of its position and strategy with respect to its operated MTBE assets which resulted in (i) the purchase of certain previously-leased MTBE related assets, under provisions within the lease, in order to facilitate future actions, including the potential disposal of such assets and (ii) a review of all MTBE-related assets for impairment considering the recent adverse changes and their impact on recoverability. Based on this review and disposal discussions with market participants, in September 1999, Enron recorded a \$441 million pre-tax charge for the impairment of its MTBE-related assets.

18 ACCOUNTING PRONOUNCEMENTS

Cumulative Effect of Accounting Changes. In the first quarter of 1999, Enron recorded an after-tax charge of \$131 million to reflect the initial adoption (as of January 1, 1999) of two new accounting pronouncements. In 1998, the AICPA issued Statement of Position 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities," which requires that costs for all start-up activities and organization costs be expensed as incurred and not capitalized in certain instances, as had previously been allowed. Also in 1998, the Emerging Issues Task Force reached consensus on Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities," requiring energy trading contracts, including energy transportation contracts, to be recorded at fair value on the balance sheet, with the changes in fair value included in earnings. The first quarter 1999 charge was primarily related to the adoption of SOP 98-5.

Recently Issued Accounting Pronouncements. In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

In June 1999, the FASB issued SFAS No. 137, which deferred the

effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000. A company may implement SFAS No. 133 as of the beginning of any fiscal quarter after issuance, however, the statement cannot be applied retroactively. Enron does not plan to early adopt SFAS No. 133. Enron believes that SFAS No. 133 will not have a material impact on its accounting for price risk management activities but has not yet quantified the effect on its hedging activities or physical based contracts.

19 QUARTERLY FINANCIAL DATA (Unaudited)

Summarized quarterly financial data is as follows:

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year (a)
1999					
Revenues	\$7,632	\$9,672	\$11,835	\$10,973	\$40,112
Income before interest, minority interests and income taxes	533	469	520	473	1,995
Net income	122	222	290	259	893
Earnings per share:					
Basic	\$ 0.17	\$ 0.29	\$ 0.38	\$ 0.33	\$ 1.17
Diluted	0.16	0.27	0.35	0.31	1.10
1998					
Revenues	\$5,682	\$6,557	\$11,320	\$ 7,701	\$31,260
Income before interest, minority interests and income taxes	471	345	405	361	1,582
Net income	214	145	168	176	703
Earnings per share:					
Basic	\$ 0.34	\$ 0.22	\$ 0.25	\$ 0.26	\$ 1.07
Diluted	0.32	0.21	0.24	0.25	1.01

(a) The sum of earnings per share for the four quarters may not equal earnings per share for the total year due to changes in the average number of common shares outstanding.

20 GEOGRAPHIC AND BUSINESS SEGMENT INFORMATION

Enron's business is divided into operating segments, defined as components of an enterprise about which financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources to an individual segment and in assessing performance of the segment. Enron's chief operating decision-making group is the Office of the Chairman, which consists of the Chairman, President and Vice Chairman.

Enron's chief operating decision-making group evaluates performance and allocates resources based on income before interest, minority interests and income taxes (IBIT) as well as on net income. However, interest on corporate debt is primarily maintained at Corporate and is not allocated to the segments. Therefore, management believes that IBIT is the dominant measurement of segment profits consistent with Enron's consolidated financial statements. The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies in Note 1.

Enron has divided its operations into the following reportable segments, based on similarities in economic characteristics, products and services, types of customers, methods of distributions and regulatory environment.

Transportation and Distribution - Regulated industries. Interstate transmission of natural gas. Management and operation of pipelines. Electric utility operations.

Wholesale Energy Operations and Services - Energy commodity sales and services, risk management products and financial services to wholesale customers. Development, acquisition and operation of power plants, natural gas pipelines and other energy-related and communications assets including broadband services.

Retail Energy Services - Sales of natural gas and electricity directly to end-use customers, particularly in the commercial and industrial sectors, including the outsourcing of energy-related activities.

Exploration and Production - Natural gas and crude oil exploration and production primarily in the United States, Canada, Trinidad and India until August 16, 1999. See Note 2.

Corporate and Other - Includes operation of water and renewable energy businesses as well as clean fuels plants.

Financial information by geographic and business segment follows for each of the three years in the period ended December 31, 1999.

Geographic Segments

(In millions)	Year Ended December 31,		
	1999	1998	1997
Operating revenues from unaffiliated customers			
United States	\$30,176	\$25,247	\$17,328
Foreign	9,936	6,013	2,945
	\$40,112	\$31,260	\$20,273
Income (loss) before interest, minority interests and income taxes			
United States	\$ 1,273	\$ 1,008	\$ 601
Foreign	722	574	(36)
	\$ 1,995	\$ 1,582	\$ 565
Long-lived assets			
United States	\$ 8,286	\$ 9,382	\$ 8,425
Foreign	2,395	1,275	745
	\$10,681	\$10,657	\$ 9,170

Business Segments

(In millions)	Transportation and Distribution	Wholesale Energy Operations and Services	Retail Energy Services	Exploration and Production(c)	Corporate and Other(d)	Total

1999

Unaffiliated revenues(a)	\$2,013	\$35,501	\$1,518	\$ 429	\$ 651	\$40,112
Intersegment revenues(b)	19	786	289	97	(1,191)	-
Total revenues	2,032	36,287	1,807	526	(540)	40,112
Depreciation, depletion and amortization	246	294	29	213	88	870
Operating income (loss)	551	889	(81)	66	(623)	802
Equity in earnings of unconsolidated equity affiliates	50	237	-	-	22	309
Gains on sales of assets and investments	19	11	-	-	511	541
Interest income	20	126	5	-	11	162
Other income, net	45	54	8	(1)	75	181
Income (loss) before interest, minority interests and income taxes	685	1,317	(68)	65	(4)	1,995
Capital expenditures	316	1,216	64	226	541	2,363
Identifiable assets	7,148	18,501	956	-	1,740	28,345
Investments in and advances to unconsolidated equity affiliates	811	2,684	-	-	1,541	5,036
Total assets	\$7,959	\$21,185	\$ 956	\$ -	\$3,281	\$33,381
1998						
Unaffiliated revenues(a)	\$1,833	\$27,220	\$1,072	\$ 750	\$ 385	\$31,260
Intersegment revenues(b)	16	505	-	134	(655)	-
Total revenues	1,849	27,725	1,072	884	(270)	31,260
Depreciation, depletion and amortization	253	195	31	315	33	827
Operating income (loss)	562	880	(124)	133	(73)	1,378
Equity in earnings of unconsolidated equity affiliates	33	42	(2)	-	24	97
Gains on sales of assets and investments	31	4	-	-	21	56
Interest income	9	67	-	1	11	88
Other income, net	2	(25)	7	(6)	(15)	(37)
Income (loss) before interest, minority interests and income taxes	637	968	(119)	128	(32)	1,582
Capital expenditures	310	706	75	690	124	1,905
Identifiable assets	6,955	12,205	747	3,001	2,009	24,917
Investments in and advances to unconsolidated equity affiliates	661	2,632	-	-	1,140	4,433
Total assets	\$7,616	\$14,837	\$ 747	\$3,001	\$3,149	\$29,350
1997						
Unaffiliated revenues(a)	\$1,402	\$17,344	\$ 683	\$ 789	\$ 55	\$20,273
Intersegment revenues(b)	14	678	2	108	(802)	-
Total revenues	1,416	18,022	685	897	(747)	20,273
Depreciation, depletion and amortization	160	133	7	278	22	600
Operating income (loss)	398	376	(105)	185	(839)	15
Equity in earnings of unconsolidated equity affiliates	40	172	(1)	-	5	216
Gains on sales of assets and investments	120	(1)	-	-	67	186
Interest income	8	57	-	1	4	70
Other income, net	14	50	(1)	(3)	18	78
Income (loss) before interest, minority interests and income taxes	580	654	(107)	183	(745)	565
Capital expenditures	337	318	36	626	75	1,392
Identifiable assets	7,115	8,661	322	2,668	1,130	19,896
Investments in and advances to unconsolidated equity affiliates	521	1,932	-	-	203	2,656
Total assets	\$7,636	\$10,593	\$ 322	\$2,668	\$1,333	\$22,552

(a) Unaffiliated revenues include sales to unconsolidated equity affiliates.

- (b) Intersegment sales are made at prices comparable to those received from unaffiliated customers and in some instances are affected by regulatory considerations.
- (c) Reflects results through August 16, 1999. See Note 2.
- (d) Includes consolidating eliminations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 28th day of March, 2000.

ENRON CORP.
(Registrant)

By: RICHARD A. CAUSEY
(Richard A. Causey)
Executive Vice President
and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on March 28, 2000 by the following persons on behalf of the Registrant and in the capacities indicated.

Signature	Title
KENNETH L. LAY (Kenneth L. Lay)	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)
RICHARD A. CAUSEY (Richard A. Causey)	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)
ANDREW S. FASTOW (Andrew S. Fastow)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
ROBERT A. BELFER* (Robert A. Belfer)	Director
NORMAN P. BLAKE, JR.* (Norman P. Blake, Jr.)	Director
RONNIE C. CHAN* (Ronnie C. Chan)	Director
JOHN H. DUNCAN* (John H. Duncan)	Director
JOE H. FOY* (Joe H. Foy)	Director
WENDY L. GRAMM* (Wendy L. Gramm)	Director
KEN L. HARRISON* (Ken L. Harrison)	Director
ROBERT K. JAEDICKE* (Robert K. Jaedicke)	Director
CHARLES A. LeMAISTRE*	Director

(Charles A. LeMaistre)

REBECCA MARK-JUSBASCHE* Director
(Rebecca Mark-Jusbasche)

JOHN MENDELSON* Director
(John Mendelsohn)

JEROME J. MEYER* Director
(Jerome J. Meyer)

PAULO V. FERRAZ PEREIRA* Director
(Paulo V. Ferraz Pereira)

FRANK SAVAGE* Director
(Frank Savage)

JEFFREY K. SKILLING* Director and President and
(Jeffrey K. Skilling) Chief Operating Officer

JOHN A. URQUHART* Director
(John A. Urquhart)

JOHN WAKEHAM* Director
(John Wakeham)

HERBERT S. WINOKUR, JR.* Director
(Herbert S. Winokur, Jr.)

*By: REBECCA C. CARTER
(Rebecca C. Carter)
(Attorney-in-fact for persons indicated)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To the Shareholders and Board of Directors of Enron Corp.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Enron Corp. and subsidiaries included in this Form 10-K and have issued our report thereon dated March 13, 2000. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Item 14(a)2 is the responsibility of the company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Houston, Texas
March 13, 2000

SCHEDULE II

ENRON CORP. AND SUBSIDIARIES
 SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
 (In Millions)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Year	Charged to Costs and Expenses	Additions Charged to Other Accounts	Deductions For Purpose For Balance at End of Year
1999				
Reserves deducted from assets from price risk management activities	\$325	\$185	\$ 19	\$192
Reserves for regulatory issues	247	35	23	104
Other reserves(a)	49	27	9	37
1998				
Reserves deducted from assets from price risk management activities	\$282	\$141	\$ -	\$ 98
Reserves for regulatory issues	262	15	27	57
Other reserves(a)	45	20	1	17
1997				
Reserves deducted from assets from price risk management activities	\$249	\$ 50	\$ 6	\$ 23
Reserves for regulatory issues	8	28	249	23
Other reserves(a)	35	13	3	6

(a) Consists of allowance for doubtful accounts and reserve for insurance claims and losses.

Exhibit 10.02

1st AMENDMENT TO
ENRON EXECUTIVE SUPPLEMENTAL SURVIVOR BENEFITS PLAN

WHEREAS, Enron Corp. (the "Company") has heretofore adopted the Enron Executive Supplemental Survivor Plan (the "Plan"); and

WHEREAS, the Company desires to amend the Plan;

NOW, THEREFORE, the Plan is amended effective as of July 1, 1999:

1. Paragraph (d) of Section 1 is deleted and the following is inserted in its place:

"(d) "Employee" means any person employed by Enron or a Successor Employer."
2. Paragraph (e) of Section 1 is deleted and the following is inserted in its place:

"(e) "Enron" means Enron Corp. and any business unit that is or is part of (1) a member of a controlled group of corporation, within the meaning of Code Section 414(b), that includes Enron Corp., (2) under common control, within the meaning of Code Section 414(c), with Enron Corp., (3) a member of an affiliated service group, within the meaning of Code Section 414(m), that includes Enron Corp., (4) a Successor Employer, or (5) any entity designed by the Compensation Committee of the Board of Directors of Enron Corp. to be included in a reference under the Plan to Enron Corp. "Code" means the Internal Revenue Code of 1986, as amended from time to time."
3. Paragraph (i) of Section 1 is deleted and the following is inserted in its place:

"(i) "Pension Plan" means the Enron Corp. Cash Balance Plan."
4. The following new paragraph (o) is added to Section 1:

"(o) "Successor Employer" means an entity divested by Enron Corp. or one of its subsidiaries, whether by way of a sale of stock or assets, or the purchaser thereof, by which or whom a Participant continues to be employed without a break in service other than pursuant to such divestiture."

As amended hereby, the Plan is specifically ratified and reaffirmed.

Date: August 11, 1999.

ENRON CORP.

By: /s/ MARY K. JOYCE
Mary K. Joyce
Vice-President,
Compensation & Benefits

ATTEST:

/s/ REBECCA C. CARTER

Exhibit 10.11

SIXTH AMENDMENT TO
ENRON CORP. 1988 DEFERRAL PLAN

WHEREAS, Enron Corp. (the "Company") has heretofore adopted the Enron Corp. 1988 Deferral Plan (the "Plan"); and

WHEREAS, the Company desires to amend the Plan;

NOW, THEREFORE, the Plan is amended effective as of July 1, 1999:

The second paragraph of Section 7.2 of the Plan is deleted and replaced with the following paragraph:

"For purposes of this Plan, the divestiture by Enron Corp. of a subsidiary, division or other unit, whether by way of a sale of stock or assets, shall not be deemed to be a termination of employment under this Plan, and a Participant affected by such divestiture shall continue to participate in the Plan as long such Participant continues to be employed by either the divested entity or the purchaser of assets (a "Successor Employer"), or a controlled group of corporations within the meaning of section 414(b) of the Internal Revenue Code of 1986, as amended, of which the Successor Employer is a member ("Controlled Group"). When such Participant is no longer employed by a Successor Employer or a member of such Controlled Group, then for purposes of this Plan, such termination of employment shall be deemed to be a voluntary termination of employment under this paragraph 7.2 unless such termination of employment is for a reason described in paragraph 7.1 or paragraphs 7.3 through 7.6. If the reason such Participant is no longer employed by a Successor Employer or a member of such Controlled Group is because of a divestiture by such Successor Employer a member of such Controlled Group, then such Participant will be deemed to have been Involuntarily Terminated pursuant to paragraph 7.4. Upon such termination of employment for any reason, a Participant shall give immediate written notice to Enron Corp."

As amended hereby, the Plan is specifically ratified and reaffirmed.

Date: August 11, 1999.

ENRON CORP.

By: /s/ MARY K. JOYCE
Mary K. Joyce
Vice-President,
Compensation & Benefits

ATTEST:

/s/ REBECCA C. CARTER

Exhibit 10.17

FIRST AMENDMENT TO
ENRON CORP. 1991 STOCK PLAN
(AS AMENDED AND RESTATED EFFECTIVE MAY 4, 1999)

WHEREAS, ENRON CORP. (the "Company") and the stockholders of the Company have heretofore approved and adopted the Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999) (the "Plan"); and

WHEREAS, the Company desires to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows:

New paragraph C is added under Section 6.2:

"C. A nonemployee Director who is not a resident of the United States of America, who is required by the Company to defer a portion of his Retainer Fee into the Enron Corp. 1994 Deferral Plan, and whose deferral is regarded as the receipt of taxable income under the tax laws of the country in which the director resides or has citizenship, upon notification thereof to the Committee, in a form acceptable to the Committee, may elect to waive that portion of his Retainer Fee that is required to be so deferred and in lieu thereof receive an award of Phantom Stock Units under the Plan. Upon the Committee's receipt and approval of such election, at its next regularly scheduled meeting the Committee shall approve an award of Phantom Stock Units to such nonemployee Director in a number determined by the Committee that will reflect the value of such portion of the Retainer Fee that is waived by the non-employee Director for the calendar year. Thereafter, as long as such non-employee Director does not revoke his election, as of July 1 of each year, the Committee shall approve an award of Phantom Stock Units to such nonemployee Director in a number determined by the Committee that will reflect the value of such portion of the Retainer Fee that is waived by the non-employee Director for the calendar year. Such award of Phantom Stock Units will fully vest on the fifth anniversary of the date of grant."

AS AMENDED HEREBY, the Plan is specifically ratified and reaffirmed.

Date: August 11, 1999

ENRON CORP.

By: /s/ MARY K. JOYCE
Mary K. Joyce
Vice-President,
Compensation & Benefits

ATTEST:

By: /s/ REBECCA C. CARTER
Title:

Exhibit 10.18

SECOND AMENDMENT TO
ENRON CORP. 1991 STOCK PLAN
(As Amended and Restated Effective May 4, 1999)

WHEREAS, ENRON CORP. (the "Company") and the stockholders of the Company have heretofore approved and adopted the Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999) (the "Plan"); and

WHEREAS, the Company desires to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows:

1. Section 2.2 is deleted and the following is inserted in its place:

"2.2 Subject to the terms of the Plan and applicable law, the Committee shall have sole power, authority and discretion to: (i) designate Participants; (ii) determine the types of Awards to be granted to a Participant under the Plan; (iii) determine the number of Shares to be covered by or with respect to which payments, rights, or other matters are to be calculated in connection with Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, under what circumstances and how Awards may be settled or exercised in cash, Shares, other securities, other Awards, or other property, or may be canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret, construe and administer the Plan and any instrument or agreement relating to an Award made under the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (ix) make a determination as to the right of any person to receive payment of an Award or other benefit; (x) except for awards made to persons subject to Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or New York Stock Exchange listing requirements, delegate to individuals in specified officer positions of the Company the authority to make and issue awards for a specified number of Shares subject to the terms and provisions of the Plan, and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

2. Paragraph (u) under Section 11 regarding definitions is deleted and the following definition of "Retirement" is inserted in its place:

(u) "Retirement" shall mean (i) (a) with respect to an Employee of the Company or one of its Affiliates, with the consent of the Committee, after age 55 with at least five years of service, the Employee's termination

of employment, or (b) upon or after age 71 the employee's termination of employment and commencement of receipt of benefits accrued under the Enron Corp. Cash Balance Plan, and (ii) with respect to a Director of the Company, with the consent of a majority of the Board of Directors of the Company, termination of service as a Director or Honorary Director after at least five (5) years of continuous service, or upon or after the date the Director attains age 72."

AS AMENDED HEREBY, the Plan is specifically ratified and reaffirmed.

Date: October 13, 1999

ENRON CORP.

By: /s/ MARY K. JOYCE

Mary K Joyce

Title: Vice-President,
Compensation & Benefits

ATTEST:

By: /s/ REBECCA C. CARTER

Title:

Exhibit 10.19

THIRD AMENDMENT TO
ENRON CORP. 1991 STOCK PLAN
(As Amended and Restated Effective May 4, 1999)

WHEREAS, ENRON CORP. (the "Company") and the stockholders of the Company have heretofore approved and adopted the Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999) (the "Plan"); and

WHEREAS, the Company desires to amend the Plan to clarify that as a result of the two for one stock split of Enron Corp. common stock effective August 13, 1999 (the "Stock Split Date"), the number of shares of common stock available for granting Awards under the Plan have increased, as have the number of shares of common stock for Awards of Options under Section 5.1 and Performance-Based Restricted Stock under Section 5.2.

NOW, THEREFORE, the Plan is amended as follows effective the Stock Split Date:

1. Subparagraph (i) under Section 3.1 of the Plan is deleted and the following is inserted in its place:

(i) CALCULATION OF NUMBER OF SHARES AVAILABLE. Subsequent to the August 13, 1999 two for one stock split of Enron Corp. common stock the number of Shares available for granting Awards under the Plan shall be 20 million (20,000,000) Shares, subject to adjustment as provided in Section 3.2.

2. Subparagraph (v) under Section 5.1 of the Plan is deleted and the following is inserted in its place:

(v) Limit on Size of Option Grants. No individual shall be granted Options totaling more than 2,000,000 shares in any single calendar year.

3. The penultimate sentence of subparagraph (vi) under Section 5.2 of the Plan is deleted and the following is inserted in its place:

"Notwithstanding any other provision of the Plan, no individual shall be granted Awards of Restricted Stock under this Section 5.2(vi) totaling more than 200,000 Shares in any single calendar year."

4. Wherever in the Plan reference is made to the "Management Committee," such reference is revised to mean the Executive Committee of the Company.

AS AMENDED HEREBY, the Plan is specifically

ratified and reaffirmed.

Date: December 14, 1999

ENRON CORP.

/s/ MARY K. JOYCE
By: Mary K. Joyce
Vice President,
Corp. Compensation

ATTEST:

By: /s/ REBECCA C. CARTER
Title:

Exhibit 10.26

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This Agreement, made and entered into on this 7th day of February, 2000, and made effective as of February 7, 2000, by and between Enron Corp., (Company") and Kenneth L. Lay ("Employee"), is an amendment to that certain Employment Agreement between the parties entered into and made effective on December 9, 1996 (the "Employment Agreement").

WHEREAS, the parties desire to amend the Employment Agreement as provided herein;

NOW, THEREFORE, for and in consideration of the covenants contained herein, and for other good and valuable considerations, the parties agree as follows:

1. Article 2, paragraph 2.1 shall be deleted in its entirety and the following inserted in its place:

"2.1 TERM. Unless sooner terminated pursuant to other provisions hereof, Company agrees to employ Employee for the period (the "Term") beginning on the Effective Date and ending on December 31, 2003, and thereafter for such period, if any, as may be agreed upon in writing by Employee and Company."

2. Article 2 is hereby amended by adding the following paragraph 2.5:

"2.5 Should Employee remain employed by Company beyond the expiration of the Term, such employment shall convert to a month-to-month relationship terminable at any time by either Company or Employee for any reason whatsoever, with or without cause. Upon such termination of the employment relationship by either Company or Employee for any reason whatsoever, Employee shall be entitled to pro rata salary through the date of such termination, but Employee shall not be entitled to any individual bonuses or individual incentive compensation not yet paid at the date of such termination and all other future compensation to which Employee is entitled and all future benefits for which Employee is eligible shall cease and terminate."

3. Article 3, Section 3.1 is hereby amended in its entirety and the following is inserted in its place:

"3.1 Base Salary. During the period beginning on the Effective Date and ending on December 31, 1996, Employee shall receive an annual base salary equal to \$990,000 which increased to 1.2 million dollars on May 1, 1997 and then increased to 1.3 million dollars on May 1, 1998. Thereafter, during the period of this Agreement, Employee shall receive a minimum annual base salary equal to \$1,300,000. Employee's base salary shall be reviewed annually and may be increased annually and from time to time by the Board of Directors (or the Compensation and

Management Development Committee of such Board) in its sole discretion and, after any such change, Employee's new level of base salary shall be Employee's base salary for purposes of this Agreement until the effective date of any subsequent change. Employee's annual base salary shall be paid in equal installments in accordance with Company's standard policy regarding payment of compensation to executives; provided, however, that Employee hereby irrevocable elects and agrees that any base salary payable to Employee pursuant to this paragraph 3.1 in excess of \$1,000,000 during any taxable year of Company shall be deferred under Company's 1994 Deferral Plan. Any amounts deferred under Company's 1994 Deferral Plan pursuant to this paragraph 3.1 shall be subject to all of the terms and conditions of such plan, including, without limitation, the time of payment provisions thereof."

4. Article 5, paragraph 5.1 is hereby deleted and the following inserted in its place:

"5.1 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, in keeping with Employee's duties as a fiduciary and in order to protect Company's interests in the confidential information of Company and the business relationships developed by Employee with the clients and potential clients of Company, and as an additional incentive for Company to enter into this Agreement, Company and Employee agree to the non-competition provisions of this Article 5. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Company or any of its affiliated companies are conducting any business as of the date of termination of the employment relationship or have during the previous twelve months conducted any business:

(i) engage in any business competitive with the business conducted by Company;

(ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with the business conducted by Company; or

(iii) induce any employee of Company or any of its affiliates to terminate his or her employment with Company or its affiliates, or hire or assist in the hiring of any such employee by person, association, or entity not affiliated with Enron.

These non-competition obligations shall extend until the latter of (a) expiration of the Term or (b) one year after termination of the employment relationship."

5. Article 7, paragraph 7.1(i) is hereby deleted in its entirety and the following inserted in its place:

"(i) Employee shall receive a lump sum payment for each full calendar year of the remaining Term of this Agreement equal to the total of Employee's 2000 annual base salary of \$1,300,000, Employee's 1999 bonus payable in 2000 of \$3,900,000 and the 2000 long-term grant value of \$15,000,000."

6. Article 7, paragraph 7.2 is hereby deleted in its entirety and the following inserted in its place:

"7.2 Certain Additional Payments by Company. Notwithstanding anything to the contrary in this Agreement, in the event that any payment, distribution, or other benefit provided by Company to or for the benefit of Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are hereinafter collectively referred to as the "Excise Tax"), Company shall pay to Employee an additional payment (a "Gross-up Payment") in an amount such that after payment by Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed on any Gross-up Payment, Employee retains an amount of the Gross-up Payment equal to the Excise Tax imposed upon the Payments. Company and Employee shall make an initial determination as to whether a Gross-up Payment is required and the amount of any such Gross-up Payment. Employee shall notify Company immediately in writing of any claim by the Internal Revenue Service which, if successful, would require Company to make a Gross-up Payment (or a Gross-up Payment in excess of that, if any, initially determined by Company and Employee) within five days of the receipt of such claim. Company shall notify Employee in writing at least five days prior to the due date of any response required with respect to such claim if it plans to contest the claim. If Company decides to contest such claim, Employee shall cooperate fully with Company in such action; provided, however, Company shall bear and pay directly or indirectly all costs and expenses (including additional interest and penalties) incurred in connection with such action and shall indemnify and hold Employee harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties

with respect thereto, imposed as a result of Company's action. If, as a result of Company's action with respect to a claim, Employee receives a refund of any amount paid by Company with respect to such claim, Employee shall promptly pay such refund to Company. If Company fails to timely notify Employee whether it will contest such claim or Company determines not to contest such claim, then Company shall immediately pay to Employee the portion of such claim, if any, which it has not previously paid to Employee."

7. Article 7, paragraph 7.6(iii) is hereby deleted in its entirety and the following inserted in its place:

"(iii) "Involuntarily Terminated" shall mean termination of Employee's employment with Company (A) by Company for any reason whatsoever except for Cause or (B) by Employee for Good Reason."

8. Article 8 is hereby amended by adding the following paragraph:

"8.15 If a dispute arises out of or related to this Agreement and the dispute cannot be settled through direct discussions, Company and Employee agree that, except for disputes arising out of a breach or alleged breach of Articles 4 and 5, they shall to first endeavor to settle the dispute in an amicable fashion, including the use of a mediator. If such efforts fail to resolve the dispute, the dispute, and any dispute arising under Articles 4 and 5, shall be resolved as follows:

- (a) Except as provided in Subsection (b), any and all claims, demands, cause of action, disputes, controversies, and other matters in questions arising out of or relating to this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, involving Company, Enron, Employee, and/or their respective representatives, even through some or all of such claims allegedly are extra-contractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, including all aspects of any disputes arising out of Articles 4 or 5 {excepting only temporary or preliminary injunctive relief as specified in subsection (b) hereof} shall be resolved by binding arbitration pursuant to the Federal Arbitration Act in accordance with the Commercial Arbitration Rules then in effect with the American Arbitration Association. The arbitration proceeding shall be conducted in Houston, Texas. The arbitration may be initiated by either party by the providing to the other a written notice of arbitration specifying the claims. Within thirty (30) days of the notice of initiation of the arbitration procedure, each party shall denominate one arbitrator. The two arbitrators shall select a third arbitrator failing agreement on which within thirty (30) days of the original notice, the parties (or either of them) shall apply to the Senior Active United

States District Judge for the Southern District of Texas, who shall appoint a third arbitrator. The three arbitrators, utilizing the Commercial Arbitration Rules of the American Arbitration Association, shall by majority vote within 120 days of the selection of the third arbitrator, resolve all disputes between the parties. There shall be no transcript of the hearing before the arbitrators. The arbitrators' decision shall be in writing, but shall be as brief as possible. The arbitrators shall not assign the reasons for their decision. The arbitrators' decision shall be final and non-appealable to the maximum extent permitted by law. Judgment upon any award rendered in any such arbitration proceeding may be entered by any federal or state court having jurisdiction. This agreement to arbitrate shall be enforceable in either federal or state court. The enforcement of this agreement to arbitrate and all procedural aspects of this agreement to arbitrate, including but not limited to, the construction and interpretation of this agreement to arbitrate, the issues subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, allegations of waiver, delay or defenses to arbitrability, and the rules governing the conduct of the arbitration, shall be governed by and construed pursuant to the Federal Arbitration Act and shall be decided by the arbitrators. In deciding the substance of any such claims, the arbitrators shall apply the substantive laws of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other State's law); provided, however, it is expressly agreed that the arbitrators shall have no authority to award treble, exemplary, or punitive damages under any circumstances regardless of whether such damages may be available under Texas law, the parties hereby waiving their right, if any, to recover treble, exemplary, or punitive damages in connection with any such claims. Even though cessation of employment under this Agreement may affect Employee's rights under the Stock Option Grant Agreements or the Split Dollar Agreement referenced in paragraphs 3.5 and 3.6 and/or the Company's 1991 Stock Plan (the "1991 Stock Plan"), this agreement to arbitrate is not applicable to disputes between or among Company and Employee based upon or arising out of the Stock Option Grant Agreements or the Split Dollar Agreement referenced in paragraphs 3.5 and 3.6 the 1991 Stock Plan, or any other agreement, benefit plan, or program heretofore or hereafter entered into between Employee and Company, or its affiliates.

- (b) Notwithstanding the agreement to arbitrate contained in Subsection 8.15(a), in the event that either party wishes to seek a temporary restraining order or a preliminary or temporary injunction to maintain the status quo pending the Arbitrator's award, each party shall have the right to pursue such temporary injunctive relief in court. The parties agree that such action for a temporary restraining order or a preliminary or temporary injunction may be brought in the State or federal courts residing in Houston, Harris County, Texas, or in any other forum in which jurisdiction is appropriate, and each of Company and Employee hereby irrevocably appoints the Secretary of State for the State of Texas as an agent for receipt of service of process in connection with such litigation."

This Agreement is the First Amendment to the Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Employment Agreement shall remain in full force and effect and without

any change or modification, except as provided herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

KENNETH L. LAY

ENRON CORP.

/s/ KENNETH L. LAY
Date: 2/7/00

/s/ CHARLES A. LeMAISTRE
Name: Charles A. LeMaistre
Title: Chair, Compensation &
Management Development
Committee
Date: February 7, 2000

Exhibit 10.36

TENTH AMENDMENT TO CONSULTING SERVICES AGREEMENT

This Agreement, made and entered into and effective as of the 1st day of January, 2000 (the "Effective Date"), by and among John A. Urquhart, whose address is 111 Beach Road, Fairfield, Connecticut 06430 ("Consultant"), Enron Corp., a Delaware corporation ("Enron" or "Company"), and Enron Power Corp., a Delaware corporation ("EPC"), is an amendment to that certain Consulting Services Agreement entered into among the parties and effective as of the first day of August, 1991.

WHEREAS, the parties desire to amend the Consulting Services Agreement;

NOW, THEREFORE, in consideration of the Consultant's continued engagement with Company and of the covenants contained herein, the parties agree as follows:

1. The parties agree that the Term of the Consulting Services Agreement is extended through December 31, 2000. Upon mutual consent of both parties, the Term may be extended for a period of twelve (12) months beyond December 31, 2000.

2. Effective December 31, 1999, Section ii. of Paragraph (3)A. of the Consulting Services Agreement is deleted and the following is inserted in its place:

"ii. For the period beginning January 1, 2000 and ending December 31, 2000, Consultant shall be paid a fee of Thirty-Three Thousand Seventy-Five Dollars (\$33,075.00) per month (the "Fee"). If or when the number of days in the twelve month period for which Consultant provides consulting services thereunder exceeds the Consulting Time, then Consultant shall be paid a daily rate of Four Thousand Four Hundred Ten Dollars (\$4,410.00) ("Additional Remuneration"); provided however, for the period from January 1, 2000 and ending December 31, 2000, such daily Additional Remuneration shall be paid to Consultant if or when the number of such days exceeds ninety (90) days."

3. The last sentence of Paragraph 3 of Section (3)E. of the Consulting Services Agreement is deleted and the following inserted in its place:

"This grant shall not be exercisable after December 31, 2001."

This Agreement is the tenth amendment to the Consulting Services Agreement as previously amended, and the parties agree that all other terms, conditions and stipulations contained in said Consulting Services Agreement and the previous amendments thereto shall remain in full force and effect and without any change or modification, except as provided herein.


IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

JOHN A. URQUHART

/s/JOHN A. URQUHART

ENRON CORP.

ENRON POWER CORP.

 /s/ JOSEPH W. SUTTON
Title: Vice Chairman

/s/ LAWRENCE F. IZZO
Title:

Exhibit 10.48

THIRD AMENDMENT TO EMPLOYMENT AGREEMENT

This Agreement, made and entered into on this 7th day of February, 2000, and made effective as of February 7, 2000, by and between Enron Corp., (Employer") and Jeffrey K. Skilling ("Employee"), is an amendment to that certain Employment Agreement between the parties entered into and made effective on January 1, 1996 (the "Employment Agreement").

WHEREAS, the parties desire to amend the Employment Agreement as provided herein;

NOW, THEREFORE, for and in consideration of the covenants contained herein, and for other good and valuable considerations, the parties agree as follows:

1. Effective December 31, 1996, the Employment Agreement was assigned by Enron North America Corp. f/k/a Enron Capital & Trade Resources Corp. to Enron Corp. Effective December 31, 1996, Enron Corp. assumed the Employment Agreement. Any reference to Employer in the Employment Agreement shall mean Enron Corp. Employee consents to such assignment and assumption, and releases Enron North America Corp. f/k/a Enron Capital & Trade Resources Corp. from every obligation under the Employment Agreement. Enron Corp. assumes every obligation of Enron North America Corp. f/k/a Enron Capital & Trade Resources Corp. under the Employment Agreement

2. Article 1: Employment and Duties: Section 1.1 shall be deleted in its entirety and the following inserted in its place:

"1.1 The term of employment under this Agreement shall be for eight years, from January 1, 1996 to December 31, 2003 (the "Term"). Employer agrees to employ Employee, and Employee agrees to be employed by Employer, beginning as of January 1, 1996, and continuing through December 31, 2003, subject to the terms and conditions of this Agreement."

3. Article 2, Section 2.3 (d) shall be deleted and the following Section 2.3 (d) shall be inserted in its place:

"(d) Employer shall loan to Employee the sum of 4 Million Dollars (\$4,000,000.00) which shall accrue interest at the October 1997 mid-term Applicable Federal Rate (AFR) of 6.24%, compounded semi-annually until maturity date of December 31, 2001. To date, Employee has repaid 2 Million Dollars. The outstanding amount of 2 Million Dollars shall be forgiven by Employer if Employee fully performs all duties and responsibilities expected of him in his position and under this Agreement through December 31, 2001. Employee shall be responsible for 100% of the loan interest. In the event Employee voluntarily terminates his employment or is terminated for cause prior to December 31, 2001, the entire loan and interest shall be due and payable."

4. Article 3, Section 3.2 is hereby deleted and the

following inserted in its place:

"Employee shall have the right to terminate the employment relationship under this Agreement at any time prior to the expiration of the Term of employment for any of the following reasons:

(i) Employee is required by Employer to be permanently relocated to a city more than 50 miles from the Houston area or Employee is transferred or assigned from Employee's present position to a position which involves an overall substantial and material reduction in the nature or scope of Employee's duties and responsibilities as President and Chief Operating Officer of Employer and within sixty days after such relocation or transfer or assignment Employee provides Employer with a written notice that such relocation or transfer or assignment has occurred and that Employee intends to terminate the employment relationship under this provision, and thereafter such relocation or transfer or assignment is not corrected by Employer within thirty days;

(ii) by December 31, 2000, the members of the Board of Directors of Employer and Employee have not mutually agreed upon an acceptable employment position and terms for Employee for the remaining portion of the Term of this Agreement;

(iii) a Change of Control (as such term is defined in Section 3.5 hereof);

(iv) any other material breach by Employer of any material provision of this Agreement which remains uncorrected for 30 days following written notice of such breach by Employee to Employer; or

(v) for any other reason whatsoever, in the sole discretion of Employee.

The termination of Employee's employment by Employer prior to the expiration of the Term shall constitute an "Involuntary Termination" if made pursuant to Section 3.2(i), 3.2 (ii), Section 3.2 (iii), or 3.2(iv); the effect of such termination is specified in Section 3.5. The termination of Employee's employment by Employee prior to the expiration of the Term shall constitute a "Voluntary Termination" if made pursuant to Section 3.2(v); the effect of such termination is specified in Section 3.3."

5. Article 3, Section 3.5 is hereby deleted in its entirety and the following inserted in its place:

"Upon an Involuntary Termination of the employment relationship by either Employer or Employee prior to the expiration of the Term, Employee shall be entitled, in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations), to receive the following:

a.all outstanding awards under the Enron Corp. stock plans (with the exception of the stock option grant of

November 16, 1999, Grant No. 122028) will vest;

- b. Employee will have the lesser of three (3) years or the term of the option to exercise vested options;
- c. Employer shall pay the remainder of premiums related to the \$8 million Split Dollar Policy No. 11 502 764 issued May 27, 1997 under the Split Dollar Agreement between Enron Corp., Jeffrey K. Skilling, and Mark David Skilling, Trustee of the Jeffrey Keith Skilling Family 1996 Trust entered into and effective May 23, 1997;
- d. Employee shall receive a lump sum payment for each full calendar year of the remaining Term of this Agreement equal to the total of Employee's 2000 annual base salary of \$850,000.00, Employee's 1999 bonus payable in 2000 of \$3,000,000.00 and the 2000 long-term grant value of \$7,000,000.00; and
- e. If an Involuntary Termination of Employee occurs prior to December 31, 2001, said 2 million dollar loan described at Section 2.3 (d) will be forgiven upon such termination.

Employee shall not be under any duty or obligation to seek or accept other employment following Involuntary Termination and the amounts due Employee hereunder shall not be reduced or suspended if Employee accepts subsequent employment. Employee's rights under this Section 3.5 are Employee's sole and exclusive rights against Employer, Enron, or their affiliates, and Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort, or otherwise, for any Involuntary Termination of the employment relationship. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer for any sums for Involuntary Termination other than those sums specified in this Section 3.5. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys fees) in connection with such suit, claim, demand or cause of action."

4. Article 3, Sections 3.6 is hereby deleted in its entirety and the following is inserted in its place:

"3.6. Upon the termination of the employment relationship as a result of Employee's death, Employee's heirs, administrators, or legatees shall be entitled to the compensation and benefits described at Section 3.5."

5. Article 3, Section 3.7 is hereby deleted in its entirety and the following is inserted in its place:

"3.7. Upon termination of the employment relationship as a result of Employee becoming disabled, Employee shall be entitled to the compensation and benefits described at Section 3.5."

6. Article 6, Section 6.2 is hereby deleted in its entirety and the following inserted in its place:

"6.2 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, in keeping with Employee's duties as a fiduciary and in order to protect Employer's interests in the confidential information of Employer and the business relationships developed by Employee with the clients and potential clients of Employer, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 6. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of its affiliated companies are conducting any business as of the date of termination of the employment relationship or have during the previous twelve months conducted any business:

- (i) engage in any business competitive with the business conducted by Employer;
- (ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with the business conducted by Employer; or
- (iii) induce any employee of Employer or any of its affiliates to terminate his or her employment with Employer or its affiliates, or hire or assist in the hiring of any such employee by person, association, or entity not affiliated with Enron.

These non-competition obligations shall extend until the latter of (a) expiration of the Term or (b) one year after termination of the employment relationship."

7. Article 7, Section 7.6 is hereby deleted in its entirety and the following shall be inserted in its place:

"7.6 If a dispute arises out of or related to this Agreement and the dispute cannot be settled through direct discussions, Employer and Employee agree that, except for disputes arising out of a breach or alleged breach of Articles 5 and 6, they shall first endeavor to settle the dispute in an amicable fashion, including the use of a mediator. If such efforts fail to resolve the dispute, the dispute, and any dispute arising under Articles 5 and 6, shall be resolved as follows:

- (c) Except as provided in Subsection (b), any and all claims, demands, cause of action, disputes, controversies, and other matters in questions arising out of or relating to

this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, involving Employer, Enron, Employee, and/or their respective representatives, even through some or all of such claims allegedly are extra-contractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, including all aspects of any disputes arising out of Articles 5 or 6 {excepting only temporary or preliminary injunctive relief as specified in subsection (b) hereof} shall be resolved by binding arbitration pursuant to the Federal Arbitration Act in accordance with the Commercial Arbitration Rules then in effect with the American Arbitration Association. The arbitration proceeding shall be conducted in Houston, Texas. The arbitration may be initiated by either party by the providing to the other a written notice of arbitration specifying the claims. Within thirty (30) days of the notice of initiation of the arbitration procedure, each party shall denominate one arbitrator. The two arbitrators shall select a third arbitrator failing agreement on which within thirty (30) days of the original notice, the parties (or either of them) shall apply to the Senior Active United States District Judge for the Southern District of Texas, who shall appoint a third arbitrator. The three arbitrators, utilizing the Commercial Arbitration Rules of the American Arbitration Association, shall by majority vote within 120 days of the selection of the third arbitrator, resolve all disputes between the parties. There shall be no transcript of the hearing before the arbitrators. The arbitrators' decision shall be in writing, but shall be as brief as possible. The arbitrators shall not assign the reasons for their decision. The arbitrators' decision shall be final and non-appealable to the maximum extent permitted by law. Judgment upon any award rendered in any such arbitration proceeding may be entered by any federal or state court having jurisdiction. This agreement to arbitrate shall be enforceable in either federal or state court. The enforcement of this agreement to arbitrate and all procedural aspects of this agreement to arbitrate, including but not limited to, the construction and interpretation of this agreement to arbitrate, the issues subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, allegations of waiver, delay or defenses to arbitrability, and the rules governing the conduct of the arbitration, shall be governed by and construed pursuant to the Federal Arbitration Act and shall be decided by the arbitrators. In deciding the substance of any such claims, the arbitrators shall apply the substantive laws of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other State's law); provided, however, it is expressly agreed that the arbitrators shall have no authority to award treble, exemplary, or punitive damages under any circumstances regardless of whether such damages may be available under Texas law, the parties hereby waiving their right, if any, to recover treble, exemplary, or punitive damages in connection with any such claims. Even though cessation of employment under this Agreement may affect Employee's rights under the Stock Option Grant Agreements in Sections 2.3 and 2.4 or the Split Dollar Agreement and/or the Enron Corp. 1991 Stock Plan ("Plan"), this agreement to arbitrate is not applicable to disputes between or among Employer and Employee based upon or arising out of the Stock Option Grant Agreements referenced in Sections 2.3 and 2.4, the Split

Dollar Agreement, the Plan, or any other agreement, benefit plan, or program heretofore or hereafter entered into between Employee and Employer, or its affiliates.

(d) Notwithstanding the agreement to arbitrate contained in Subsection 7.6(a), in the event that either party wishes to seek a temporary restraining order or a preliminary or temporary injunction to maintain the status quo pending the Arbitrator's award, each party shall have the right to pursue such temporary injunctive relief in court. The parties agree that such action for a temporary restraining order or a preliminary or temporary injunction may be brought in the State or federal courts residing in Houston, Harris County, Texas, or in any other forum in which jurisdiction is appropriate, and each of Employer and Employee hereby irrevocably appoints the Secretary of State for the State of Texas as an agent for receipt of service of process in connection with such litigation."

8. Article 7 is hereby amended and the following inserted as Section 7.10:

"7.10 For purposes of this Agreement, the following terms shall have the meanings ascribed to them below:

- (i) "Beneficial Owner" shall be defined by reference to Rule 13(d)-3 under the Securities Exchange Act of 1934, as then in effect; provided, however, and without limitation, any individual, corporation, partnership, group, association or other person or entity which has the right to acquire any Voting Stock at any time in the future, whether such right is contingent or absolute, pursuant to any agreement, arrangement or understanding or upon exercise of conversion rights, warrants or options, or otherwise, shall be the Beneficial Owner of such Voting Stock.
- (ii) "Change of Control" shall mean (A) Employer merges or consolidates with any other corporation (other than one of Employer's wholly owned subsidiaries) and is not the surviving corporation (or survives only as the subsidiary of another corporation), (B) Employer sells all or substantially all of its assets to any other person or entity, (C) Employer is dissolved, (D) any third person or entity (other than the trustee or committee of any qualified employee benefit plan of Employer) together with its affiliates and associates shall become, directly or indirectly, the Beneficial Owner of at least 30% of the Voting Stock of Employer, or (E) the individuals who constitute the members of the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director whose election or nomination for election by Employer's stockholders was approved by a vote of at least 80% of the directors comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of Employer in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this clause (E), considered as though such person were a member of the Incumbent Board.
- (iii) "Involuntarily Terminated" shall mean termination of Employee's employment with Employer (A) by Employer for any reason whatsoever except for Cause or (B) by Employee as described at Section 3.2 (i), Section 3.2 (ii), Section 3.2 (iii), or Section 3.2 (iv); the effect of such termination

is specified in Section 3.5.

- (iv) "Voting Stock" shall mean all outstanding shares of capital stock of Employer entitled to vote generally in elections for directors, considered as one class; provided, however, that if Employer has shares of Voting Stock entitled to more or less than one vote for any such share, such reference to a proportion of shares of Voting Stock shall be deemed to refer to such proportion of the votes entitled to be cast by such shares."

9. Article 7 is hereby amended and the following is inserted as Section 7.11:

"7.11 Notwithstanding anything to the contrary in this Agreement, in the event that any payment, distribution, or other benefit provided by Employer to or for the benefit of Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are hereinafter collectively referred to as the "Excise Tax"), Employer shall pay to Employee an additional payment (a "Gross-up Payment") in an amount such that after payment by Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed on any Gross-up Payment, Employee retains an amount of the Gross-up Payment equal to the Excise Tax imposed upon the Payments. Employer and Employee shall make an initial determination as to whether a Gross-up Payment is required and the amount of any such Gross-up Payment. Employee shall notify Employer immediately in writing of any claim by the Internal Revenue Service which, if successful, would require Employer to make a Gross-up Payment (or a Gross-up Payment in excess of that, if any, initially determined by Employer and Employee) within five days of the receipt of such claim. Employer shall notify Employee in writing at least five days prior to the due date of any response required with respect to such claim if it plans to contest the claim. If Employer decides to contest such claim, Employee shall cooperate fully with Employer in such action; provided, however, Employer shall bear and pay directly or indirectly all costs and expenses (including additional interest and penalties) incurred in connection with such action and shall indemnify and hold Employee harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of Employer's action. If, as a result of Employer's action with respect to a claim, Employee receives a refund of any amount paid by Employer with respect to such

claim, Employee shall promptly pay such refund to Employer. If Employer fails to timely notify Employee whether it will contest such claim or Employer determines not to contest such claim, then Employer shall immediately pay to Employee the portion of such claim, if any, which it has not previously paid to Employee."

This Agreement is the Third Amendment to the Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Employment Agreement shall remain in full force and effect and without any change or modification, except as provided herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

JEFFREY K. SKILLING

ENRON CORP.

/s/ JEFFREY K. SKILLING
Date:

/s/ CHARLES A. LeMAISTRE
Name: Charles A. LeMaistre
Title: Chair, Compensation &
Management Development Committee
Date: February 7, 2000

Exhibit 10.51

FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement, entered into and made effective as of February 1, 1999, by and between Enron Corp. an Oregon corporation ("Company") having its headquarters at 1400 Smith Street, Houston, Texas 77002, Azurix Corp., a Delaware corporation having its headquarters at 333 Clay Street, Houston, Texas 77002, and Rebecca P. Mark ("Employee"), an individual residing in Houston, Texas, is an amendment to that certain Executive Employment Agreement between the Company and Employee entered into the 6th day of May, 1998, and made effective as of May 4, 1998 (the "Employment Agreement").

WHEREAS, the parties desire to amend the Employment Agreement to provide for assignment of the Employment Agreement by Company to, and assumption of the Employment Agreement by, Enron Corp. and Azurix Corp., respectively, and to make other amendments to the Employment Agreement as provided herein;

NOW, THEREFORE, in consideration thereof and of the mutual covenants contained herein, the parties agree as follows:

1. Effective February 1, 1999, the Employment Agreement is assigned by Company to, and assumed by, Enron Corp. and Azurix Corp., respectively. Any reference to the "Company" and/or "Employer" in the Employment Agreement shall mean Enron Corp. and Azurix Corp., respectively. Employee consents to such assignment and assumption, and releases Company from every obligation under the Employment Agreement. Enron Corp. and Azurix Corp., respectively, each assume the obligations of Enron Corp. and Azurix Corp., under the Employment Agreement.

2. Article 3, Section 3.5 is hereby deleted in its entirety and the following language inserted in its entirety:

"3.5 Upon an Involuntary Termination of the employment relationship by either Employer or Employee prior to the expiration of the Term, Employee shall be entitled, in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations), to receive the compensation specified in Section 2.1, as well as unpaid Bonuses described on Exhibit "A", as if Employee's employment (which shall cease on the date of such Involuntary Termination) had continued for the full Term of this Agreement. Upon an Involuntary Termination, Employee shall also be entitled to all vested benefits and rights under other Enron benefits, incentive, and/or compensation plans to which Employee may be entitled through her termination and pursuant to plan documents and all other benefits that Employee may be entitled to under any other compensation plans. In the event of Involuntary Termination, the compensation specified in Section

2.1 that will be paid to Employee will be paid on a semi-monthly basis; the unpaid Bonuses described in Exhibit "A" will be paid annually and the amounts under the compensation plans will be paid in accordance with the terms and provisions of the respective compensation plans. Employee shall not be under any duty or obligation to seek or accept other employment following Involuntary Termination and the amounts due Employee hereunder shall not be reduced or suspended if Employee accepts subsequent employment. Employee's rights under this Section 3.5 are Employee's sole and exclusive rights against Employer, Enron, or their affiliates, and Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort, or otherwise, for any Involuntary Termination of the employment relationship. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer for any sums for Involuntary Termination other than those sums specified in this Section 3.5. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys fees) in connection with such suit, claim, demand or cause of action."

3. Article 3, Section 3.8 is hereby deleted in its entirety and the following language inserted in its entirety:

"3.8 Notwithstanding any provision herein to the contrary, upon a termination of Employee's employment under any of the circumstances described in Sections 3.6 or 3.7 above, Employee shall be entitled to receive a pro-rata annual bonus payment through the date of such termination of employment. Further, upon termination of Employee's employment under any of the circumstances described in Sections 3.5, 3.6, or 3.7, Employee shall become fully vested in specific grants and awards made or awarded to Employee under long term incentive plans maintained solely by Enron Corp. and its affiliates; provided however, any grants and awards made or awarded under the Azurix Corp. 1999 Stock Plan shall be excluded and governed by the terms and provisions of the respective grants and awards under the Azurix Corp. 1999 Stock Plan."

4. Exhibit "A" to the Employment Agreement is hereby deleted in its entirety and the attached Exhibit "A" is inserted in its entirety.

This Amendment is a First Amendment to the Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Employment Agreement, and any amendments thereto, shall remain in full force and effect and without any change or modification, except as provided herein.

In Witness Whereof, the parties have duly executed this Agreement as of the date first above written.

ENRON CORP.

By: /s/ KENNETH L. LAY
Name: Kenneth L. Lay
Title: Chairman & CEO
This 10th day of March, 1999

AZURIX CORP.

By: /s/ PHILIP J. BAZELIDES
Name:
Title:
This 1st day of March, 1999

REBECCA P. MARK

/s/ REBECCA P. MARK
This 1st day of March, 1999

EXHIBIT "A" TO
EXECUTIVE EMPLOYMENT AGREEMENT
BETWEEN ENRON CORP., AZURIX CORP., AND REBECCA P. MARK

Employee Name: Rebecca P. Mark
Term: Effective February 1, 1999 through
December 31, 2001
Position: Vice Chairman, Enron Corp., and Chairman
and
Chief Executive Officer of Azurix Corp.
Location: Houston, Texas
Reporting Relationship: Reports to Office of the Chairman,
Enron Corp.
Monthly Base Salary: Fifty-Nine Thousand One Hundred
Sixty Six Dollars and Sixty Seven Cents
(\$59,166.67)

Bonus: Employee shall be eligible to participate in the Enron Corp. Annual Incentive Plan ("Plan") and/or any replacement plan of Azurix Corp. All bonuses shall be paid in accordance with the terms and provisions of the Plan, a portion of which may be paid in cash, and a portion of which may be paid in stock or stock options. All Azurix bonuses paid shall be based upon the performance of Azurix Corp. and Employee as determined by the Board of Directors of Azurix Corp. and Enron bonuses shall be based upon the performance of Enron Corp. and Employee as determined by the Board of Directors of Enron Corp.

Long Term Incentive Plan: Employee shall be eligible to participate in either 1) the Enron Corp. Long Term Incentive Plan or 2) an equity participation plan related to Enron's interest in a new water company. At the sole discretion of the Chairman of the

Board of Employer, Employee may be eligible to participate in both plans.

ENRON CORP.

By: /s/ KENNETH L. LAY
Name: Kenneth L. Lay
Title: Chairman & CEO
This 10th day of March, 1999

AZURIX CORP.

By: /s/ PHILIP J. BAZELIDES
Name:
Title:
This 1st day of March, 1999

REBECCA P. MARK

/s/ REBECCA P. MARK
This 1st day of March, 1999

Exhibit 10.53

AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT
BETWEEN ENRON CORP. AND JOSEPH W. SUTTON

This Agreement, made, entered into and effective as of the 5th day of May, 1999 (the "Effective Date"), by and between Enron Corp., an Oregon corporation, having offices at 1400 Smith Street, Houston, Texas 77002 ("Employer"), and Joseph W. Sutton, an individual currently residing at 31 Half Moon Court, The Woodlands, Texas 77380 ("Employee"), is an amendment to that certain Executive Employment Agreement between Enron Corp. and Employee, effective the 23rd day of June, 1998 (the "Executive Employment Agreement").

WHEREAS, the parties desire to amend the Executive Employment Agreement to change the provisions for Long Term Incentive Compensation in Exhibit A thereto;

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. The provision for Long Term Incentive Compensation in Exhibit A to the Executive Employment Agreement is deleted and the following is inserted in its place:

"Long Term Incentive Compensation:

Employee shall receive the following long term incentive compensation.

For 1998: (1) a grant pursuant to the Enron Corp. 1991 Stock Plan ("91 Stock Plan") of Restricted Stock in January, 1999, or in January of a subsequent year if the following cumulative provisions apply, having a grant value of \$1,060,000 and conditioned on Enron International meeting at least 80% of its 1998 after tax net income target ("80% Target"); such 80% Target shall be a cumulative percentage over a five year period beginning with 1998 so that if the employee misses a target in any single year, the employee shall have the ability to receive such a grant in a future year based on a cumulative year average of 80% or greater; such a grant of Restricted Stock shall vest 25% on the date of grant and thereafter, conditioned on Employee's continued employment with Employer, in annual 25% increments on the anniversary dates of said grant, and (2) a grant pursuant to the '91 Stock Plan of 100,000 Stock Options made at the time of entering into this Agreement, to vest, conditioned on Employee's continued employment with Employer, in increments of 25% on December 31 on each of the next four years.

For years 1999 through 2002, Employee shall be granted Stock Options pursuant to the '91 Stock Plan having a value based on Black Scholes (as determined annually by the Compensation Committee of the Enron Corp. Board of Directors similar to other Enron Corp. executives) of \$1,060,000 for each year. For example if the Black Scholes value of an Enron Corp. Stock Option was \$10.60, Employee would receive 100,000 Stock Options (\$1,060,000/\$10.60). These Stock Options will be granted on 12/31/98, 12/31/99, 12/31/00, and 12/31/01 and shall vest, conditioned on Employee's continued employment with Employer, in 25% increments on December

31 of each of the four years following the date of grant.

Employee shall also receive grants pursuant to the '91 Stock Plan of Restricted Stock in January 2000, 2001, 2002 and 2003, or in January of a subsequent year (but no subsequent year later than January 2003) if the following cumulative provision apply, each having a grant value of \$1,060,000, conditioned on Enron International meeting at least 80% of its after tax net income target ("80% Target") for calendar years 1999, 2000, 2001 and 2002, respectively. Such 80% Target shall be a cumulative percentage over the five year period (1998 - 2002) so that if an 80% Target is not met for any single year, during the 1998 - 2002 period, Employee may become eligible to receive such grant for such a missed year if the cumulative average of such 80% Targets for such missed year and prior or subsequent year(s) during this 1998 - 2002 period meets or exceeds the cumulative 80% Targets. Such grants of Restricted Stock will vest 25% on the date of grant and thereafter, conditioned on Employee's continued employment with Employer, in annual 25% increments on the anniversary dates of such grants.

Each grant of long term incentive compensation pursuant to the '91 Stock Plan shall have standard termination provisions and be evidenced by a written award agreement."

2. This Agreement is an amendment to the Executive Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Executive Employment Agreement shall remain in full force and effect and without any change or modification, except as provided herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Effective Date.

ENRON CORP.

By: /s/ MARY K. JOYCE
Name: Mary K. Joyce
Title: Vice President
This ____ day of ____, 1999

JOSEPH W. SUTTON

/s/ JOSEPH W. SUTTON
This ____ day of ____, 1999

Exhibit 10.54

SECOND AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement, entered into on this 11th day of October, 1999, and made effective as of July 1, 1999, by and between Enron Corp., an Oregon corporation ("Company") having its headquarters at 1400 Smith Street, Houston, Texas 77002, and Joseph W. Sutton ("Employee"), an individual residing at 31 Half Moon Court, The Woodlands, Texas 77380, is an amendment to that certain Executive Employment Agreement between the Company and Employee entered into the 23rd day of June, 1998, and made effective as of June 23, 1998 (the "Employment Agreement").

WHEREAS, the parties desire to amend the Employment Agreement to provide compensation and to make other amendments to the Employment Agreement as provided herein;

NOW, THEREFORE, in consideration thereof and of the mutual covenants contained herein, the parties agree as follows:

1. Exhibit "A" to the Employment Agreement is hereby deleted in its entirety and the attached Exhibit "A" is inserted in its entirety.
2. Article 3, Section 3.5 of the Employment Agreement is hereby deleted in its entirety and the following is inserted in its place:

"3.5 Upon an Involuntary Termination of the employment relationship by either Employer or Employee prior to the expiration of the Term, Employee shall be entitled, in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations), to receive one hundred percent (100%) of the then current Monthly Base Salary and Bonus as described on Exhibit "A" as if Employee's employment (which shall cease on the date of such Involuntary Termination) had continued for the full Term of this Agreement. Further, upon an Involuntary Termination after the Term expires, Employee shall be entitled to receive Employee's Monthly Base Salary for three (3) months after the date of termination of the employment relationship; provided, Employee has met the non-competition obligations of this Agreement. The payment shall be calculated based upon Employee's Monthly Base Salary immediately preceding termination of the employment relationship. Employee shall not be under any duty or obligation to seek or accept other employment following Involuntary Termination and the amounts due Employee hereunder shall not be reduced or suspended if Employee accepts subsequent employment. Employee's rights under this Section 3.5 are Employee's sole and exclusive rights against Employer, Enron, or their affiliates, and Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort, or otherwise, for any Involuntary Termination of the employment relationship. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer for any sums for Involuntary Termination other than those sums specified in this Section 3.5. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer

(including costs and attorneys fees) in connection with such suit, claim, demand or cause of action. All outstanding grants of stock options (excluding AESOP) and restricted stock, which are unvested, shall become fully vested upon Involuntary Termination."

3. Article 7, Section 7.1 of the Employment Agreement is hereby deleted in its entirety and the following is inserted in its entirety:

"6.1 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, in keeping with Employee's duties as a fiduciary and in order to protect Employer's interest in the confidential information of Employer and the business relationships developed by Employee with the clients and potential clients of Employer, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 7. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of its affiliated companies are conducting any business as of the date of termination of the employment relationship or during the previous twelve months conducted any business:

(i) engage in any business competitive with the business conducted by Employer;

(ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with the business conducted by Employer; or

(iii) induce any employee of Employer or any of its affiliates to terminate his or her employment with Employer or its affiliates, or hire or assist in the hiring of any such employee by person, association, or entity not affiliated with Enron.

These non-competition obligations shall extend until (a) one year after termination of the employment relationship upon a Voluntary Termination during the Term of this Agreement; (b) six (6) months after the date of termination of the employment relationship upon an Involuntary Termination; or (c) in the event the Term of the Agreement has expired, three (3) months after the date of termination of the employment relationship, whichever event is applicable.

This Amendment is a Second Amendment to the Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Employment Agreement, and any amendments thereto, shall remain in full force and effect and without any change or modification, except as provided herein.

IN WITNESS WHEREOF, the parties have duly executed this

Agreement as of the date first above written.

ENRON CORP.

By: /s/ KENNETH L. LAY
Name: Kenneth L. Lay
Title: Chairman & CEO
This 19th day of November, 1999

JOSEPH W. SUTTON

/s/ JOSEPH W. SUTTON
This 19th day of November, 1999

Exhibit 10.56

FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement, entered into on this 27th day of December, 1999, and made effective as of December 27, 1999, by and between Enron Operations Corp., a Delaware corporation ("Employer") having its headquarters at 1400 Smith Street, Houston, Texas 77002 and Enron Corp., an Oregon corporation having its headquarters at 1400 Smith Street, Houston, Texas 77002, and Stanley C. Horton ("Employee"), an individual residing at 70 Champions Bend Circle, Houston, Texas 77069, is an amendment to that certain Executive Employment Agreement between the Company and Employee entered into the 15th day of October, 1996, and made effective as of October 1, 1996 (the "Employment Agreement").

WHEREAS, the parties desire to amend the Employment Agreement to provide compensation and to make other amendments to the Employment Agreement as provided herein;

NOW, THEREFORE, in consideration thereof and of the mutual covenants contained herein, the parties agree as follows:

3. Effective December 1, 1999, the Employment Agreement is assigned by Enron Operations Corp. to, and assumed by Enron Corp. Any reference to Employer in the Employment Agreement shall mean Enron Corp. Employee consents to such assignment and assumption, and releases Enron Operations Corp. from every obligation under the Employment Agreement. Enron Corp. assumes every obligation of Enron Operations Corp. under the Employment Agreement.
4. Exhibit "A" to the Employment Agreement is hereby deleted in its entirety and the attached Exhibit "A" is inserted in its entirety.
5. Article 3, Section 3.5 of the Employment Agreement is hereby deleted in its entirety and the following is inserted in its place:

"3.5 Upon an Involuntary Termination of the employment relationship by either Employer or Employee prior to the expiration of the Term, Employee shall be entitled, in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations), to receive a payment of one (1) year's pay as described herein. The payment shall be calculated by taking the average of Employee's annual base salary and performance bonus for the last two (2) years of Employee's employment for a payment equivalent to one (1) year's base and bonus. The first fifty-percent (50%) of the payment shall be paid equally on a monthly basis for the first six (6) months following termination of the employment relationship. The remaining fifty-percent (50%) shall be paid at the end of the six (6) month period provided Employee has met the non-competition obligations of this Agreement. Upon an Involuntary Termination after the Term expires, Employee shall be entitled to receive Employee's Monthly Base Salary for three (3) months after the

date of termination of the employment relationship; provided, Employee has met the non-competition obligations of this Agreement. The payment shall be calculated based upon Employee's Monthly Base Salary immediately preceding termination of the employment relationship. Employee shall not be under any duty or obligation to seek or accept other employment following Involuntary Termination and the amounts due Employee hereunder shall not be reduced or suspended if Employee accepts subsequent employment. Employee's rights under this Section 3.5 are Employee's sole and exclusive rights against Employer, Enron, or their affiliates, and Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort, or otherwise, for any Involuntary Termination of the employment relationship. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer for any sums for Involuntary Termination other than those sums specified in this Section 3.5. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys fees) in connection with such suit, claim, demand or cause of action."

3. Article 6, Section 6.1 of the Employment Agreement is hereby deleted in its entirety and the following is inserted in its entirety:

"6.1 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, in keeping with Employee's duties as a fiduciary and in order to protect Employer's interest in the confidential information of Employer and the business relationships developed by Employee with the clients and potential clients of Employer, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 6. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of its affiliated companies are conducting any business as of the date of termination of the employment relationship or during the previous twelve months conducted any business:

(i) engage in any business competitive with the business conducted by Employer;

(ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with the business conducted by Employer; or

(iii) induce any employee of Employer or any of its affiliates to

terminate his or her employment with Employer or its affiliates, or hire or assist in the hiring of any such employee by person, association, or entity not affiliated with Enron.

These non-competition obligations shall extend until (a) one year after termination of the employment relationship upon a Voluntary Termination during the Term of this Agreement; (b) six (6) months after the date of termination of the employment relationship upon an Involuntary Termination; or (c) in the event the Term of the Agreement has expired, three (3) months after the date of termination of the employment relationship, whichever event is applicable."

This Amendment is a First Amendment to the Employment Agreement, and the parties agree that all other terms, conditions and stipulations contained in the Employment Agreement, and any amendments thereto, shall remain in full force and effect and without any change or modification, except as provided herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

ENRON OPERATIONS CORP.

By: /s/ ELAINE V. OVERTURF
Name: Elaine V. Overturf
Title: Deputy Corporate
Secretary
This 11th day of January, 2000

ENRON CORP.

By: /s/ JOSEPH W. SUTTON
Name: Joseph W. Sutton
Title: Vice Chairman
This 27th day of December, 1999

STANLEY C. HORTON

/s/ STANLEY C. HORTON
This 27th day of December, 1999

Exhibit 10.57

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), including the attached Exhibit "A," is entered into between Enron Corp., an Oregon corporation ("ENRON" and/or "Enron"), and Mark A. Frevert, ("Employee"), to be effective as of June 1, 1998 (the "Effective Date").

WITNESSETH:

WHEREAS, ENRON is desirous of employing Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering the employ of ENRON pursuant to such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, ENRON and Employee agree as follows:

ARTICLE 1: EMPLOYMENT AND DUTIES:

1.1 ENRON agrees to employ Employee, and Employee agrees to be employed by ENRON, beginning as of the Effective Date and continuing until the date set forth on Exhibit "A" (the "Term"), subject to the terms and conditions of this Agreement.

1.2 Employee initially shall be employed in the position set forth on Exhibit "A." ENRON may subsequently assign Employee to a different position or modify Employee's duties and responsibilities; provided however, if ENRON assigns Employee to a different position, the assignment shall not be a material reduction, or if ENRON modifies Employee's duties and responsibilities, any such modification shall not materially reduce Employee's duties and responsibilities, neither of which event shall occur without Employee's prior consent. Moreover, ENRON may assign this Agreement and Employee's employment to Enron or any affiliates of Enron. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services appertaining to such position as determined by ENRON, as well as such additional or different duties and services appropriate to such position which Employee from time to time may be reasonably directed to perform by ENRON. Employee shall at all times comply with and be subject to such policies and procedures as ENRON may establish from time to time.

1.3 Employee shall, during the period of Employee's employment by ENRON, devote Employee's full business time, energy, and best efforts to the business and affairs of ENRON. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interests of ENRON or Enron, or requires any significant portion of Employee's business time.

1.4 In connection with Employee's employment by ENRON, ENRON shall provide Employee access to such confidential information pertaining to the business and services of ENRON as is appropriate for Employee's employment responsibilities. ENRON also shall provide to Employee the opportunity to develop business relationships with ENRON's

clients and potential clients that are appropriate for Employee's employment responsibilities.

1.5 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the ENRON and to engage in no act which would injure Employer's business, its interests, or its reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect ENRON, or any of its subsidiaries, or affiliates, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to ENRON, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with ENRON, its subsidiaries, divisions, or affiliates, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee agrees that Employee shall disclose to ENRON's General Counsel any facts which might involve such a conflict of interest that has not been approved by ENRON's Board of Directors.

1.6 ENRON and Employee recognize that it is impossible to provide an exhaustive list of actions or interests which constitute a "conflict of interest." Moreover, ENRON and Employee recognize there are many borderline situations. In some instances, full disclosure of facts by the Employee to ENRON's General Counsel may be all that is necessary to enable ENRON, or their affiliates to protect their interests. In other instances, if no improper motivation appears to exist and the interests of ENRON, or their affiliates have not suffered, prompt elimination of the outside interest will suffice. In still others, it may be necessary for ENRON to terminate the employment relationship. ENRON and Employee agree that Employer's determination as to whether a conflict of interest exists shall be conclusive. ENRON reserves the right to take such action as, in its judgment, will end the conflict.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1 Employee's base salary during the Term shall be not less than the amount set forth under the heading "Monthly Base Salary" on Exhibit "A," which shall be paid in semimonthly installments in accordance with Employer's standard payroll practice.

2.2 While employed by ENRON (both during the Term and thereafter), Employee shall be allowed to participate, on the same basis generally as other employees of ENRON, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by ENRON to all or substantially all of Employer's employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and pension plans. Nothing in this Agreement is to be construed or interpreted to provide greater rights, participation, coverage, or benefits under such benefit plans or programs than provided to similarly situated employees pursuant to the terms and conditions of such benefit plans and programs.

2.3 ENRON shall not by reason of this Article 2 be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such incentive compensation

or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Moreover, unless specifically provided for in a written plan document adopted by the Board of Directors of either ENRON or its subsidiaries, divisions, or affiliates, none of the benefits or arrangements described in this Article 2 shall be secured or funded in any way, and each shall instead constitute an unfunded and unsecured promise to pay money in the future exclusively from the general assets of ENRON.

2.4 ENRON may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION BEFORE THE TERM EXPIRES AND EFFECTS OF SUCH TERMINATION:

3.1. ENRON may terminate Employee's employment before the Term expires for the following reasons:

a. For "cause" upon the determination by ENRON's management committee (or, if there is no management committee, the highest applicable level of management) that "cause" exists to terminate the Employee. "Cause" means (i) Employee's gross negligence, willful misconduct, or neglect in the performance of the duties and services as an ENRON employee; (ii) Employee's final conviction of a felony; (iii) Employee's material breach of any material provision of this Agreement which remains uncorrected for 30 days following Enron's written notice to Employee of such breach; (iv) Employee's violation of any policy of ENRON; (v) if Employee has willfully engaged in conduct that Employee knows or should know is materially injurious to Enron, or any of its respective subsidiaries, divisions, or affiliates; or (vi) if Employee violates the Foreign Corrupt Practices Act or other applicable United States law as proscribed by Section 6.8. If ENRON terminates Employee's employment for Cause, Employee shall be entitled only to pro rata salary through the date of such termination, and all future compensation and benefits, other than benefits to which Employee is entitled under the terms of ENRON or Enron Capital & Trade Resources Corp. compensation and/or benefit plans, shall cease.

b. Involuntary termination at ENRON's option for any reason whatsoever, including termination without cause, in the sole discretion of ENRON's management committee (or, if there is no management committee, the highest applicable level of management). Upon an Involuntary Termination before the Term expires, Employee is entitled to receive the greater of (a) the monthly salary on Exhibit "A" as if Employee's employment (which ends on the date of Involuntary Termination) had continued for the full Term, or (b) \$750,000.00, payable in a lump sum payment. If, however, Employee accepts employment with a competitor as described in Sections 5.2a., b., c., or d. of Article 5, ENRON's obligations to pay Employee pursuant to this section shall cease as of the first day of such employment by Employee. Employee will not accrue or receive any vacation pay during the Term following Involuntary Termination.

c. Upon Employee's (i) death, or (ii) becoming incapacitated or disabled so as to entitle Employee to benefits under Enron's long-term disability plan, or (iii) becoming permanently and totally unable to perform Employee's duties for ENRON as a result of any physical or mental impairment supported by a written opinion by a physician selected by ENRON. Upon termination of employment under this paragraph, Employee or Employee's heirs shall be entitled only to Employee's pro rata salary through the date of such termination, and all future compensation and benefits, other than benefits to which Employee is entitled under the terms of ENRON or Enron Capital & Trade Resources Corp. compensation and/or benefit plans, shall cease.

3.2 Employee may terminate the employment relationship before the Term expires for the following reasons:

a. A material breach by ENRON of any material provision of this Agreement which remains uncorrected for 30 days following Employee's written notice to ENRON of such breach. Upon such a termination, Employee shall be entitled to receive the monthly salary on Exhibit "A" as if Employee's employment had continued for the full Term.

b. Involuntary termination at Employee's option if ENRON assigns Employee to a different position and the assignment results in a material reduction, or ENRON modifies Employee's duties or responsibilities and said modification materially reduces Employee's duties or responsibilities, and ENRON fails to secure Employee's prior consent to either the assignment or modification. Upon such a termination, Employee shall be entitled to receive the greater of (a) the monthly salary on Exhibit "A" as if Employee's employment had continued for the full Term, or (b) \$750,000.00, payable in a lump sum payment.

c. For any other reason whatsoever, in Employee's sole discretion. If Employee voluntarily terminates his or her employment to accept a position with ENRON, or one of its subsidiaries, divisions, or affiliates, Employee will notify his or her Human Resources Representative in writing within ten (10) days of beginning such employment. Upon a Voluntary Termination before the Term expires, all of Employee's future compensation and benefits, other than benefits to which Employee is entitled under the terms of ENRON or Enron Capital & Trade Resources Corp. compensation and/or benefit plans, shall cease as of the date of termination, and Employee shall be entitled only to pro rata salary through the termination date.

3.3 In all cases, the compensation and benefits payable to Employee under this Agreement upon termination of employment shall be offset by any amounts to which Employee otherwise may be entitled under any benefit plans, severance plans, voluntary payments, and policies of ENRON, or its subsidiaries, divisions, or affiliates, or amounts Employee owes to ENRON.

3.4 Neither termination of employment nor expiration of the Term terminates the continuing obligations of this Agreement, including obligations under Articles 4, 5 and 6.1.

3.5 Should Employee remain employed by ENRON after the Term expires, such employment shall convert to an employment-at-will relationship, terminable at any time by either ENRON or Employee for any reason whatsoever, with or without cause. Upon such termination of the employment relationship by either ENRON or Employee for any reason whatsoever, all future compensation to which Employee is entitled and all future benefits for which Employee is eligible shall cease and terminate. Employee shall be entitled to pro rata salary through the date of such termination, but Employee shall not be entitled to any individual bonuses or individual incentive compensation not yet paid at the date of such termination.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INFORMATION;
COPYRIGHTS:

4.1 All information, ideas, concepts, improvements, discoveries, and inventions, whether patentable or not, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee's employment by ENRON (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to Employer's business, products or services (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks) shall be disclosed to ENRON and are and shall be the sole and exclusive property of ENRON. Moreover, all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, and inventions are and shall be the sole and exclusive property of ENRON.

4.2 Employee acknowledges that the business of ENRON, its subsidiaries, divisions, and affiliates is highly competitive and that ENRON has provided and will provide Employee with access to Confidential Information relating to the business of ENRON, its subsidiaries, divisions, and affiliates. "Confidential Information" means and includes ENRON's confidential and/or proprietary information and/or trade secrets that have been developed or used and/or will be developed and that cannot be obtained readily by third parties from outside sources. Confidential Information includes, by way of example and without limitation, the following: information regarding customers, employees, contractors, and the industry not generally known to the public; strategies, methods, books, records, and documents; technical information concerning products, equipment, services, and processes; procurement procedures and pricing techniques; the names of and other information concerning customers, investors, and business affiliates (such as contact name, service provided, pricing for that customer, amount of services used, credit and financial data, and/or other information relating to ENRON's relationship with that customer); pricing strategies and price curves; positions; plans and strategies for expansion or acquisitions; budgets; customer lists; research; weather data; financial and sales

data; trading methodologies and terms; evaluations, opinions, and interpretations of information and data; marketing and merchandising techniques; prospective customers' names and marks; grids and maps; electronic databases; models; specifications; computer programs; internal business records; contracts benefiting or obligating ENRON; bids or proposals submitted to any third party; technologies and methods; training methods and training processes; organizational structure; salaries of personnel; payment amounts or rates paid to consultants or other service providers; and other such confidential or proprietary information. Employee acknowledges that this Confidential Information constitutes a valuable, special, and unique asset used by ENRON, its subsidiaries, divisions, or affiliates in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to ENRON, its subsidiaries, divisions, and affiliates in maintaining their competitive position. Employee also will have access to, or knowledge of, Confidential Information of third parties, such as actual and potential customers, suppliers, partners, joint venturers, investors, financing sources and the like, of ENRON, its subsidiaries, divisions, and affiliates. ENRON also shall provide Employee with Confidential Information and training regarding ENRON's methodologies and business strategies. Employee acknowledges that he has and will receive training that enables him to perform his job at ENRON. Employee acknowledges that money damages would not be sufficient remedy for any breach of this Article 4 by Employee, and ENRON shall be entitled to enforce the provisions of this Article 4 by terminating any payments then owing to Employee under this Agreement and/or to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article 4, but shall be in addition to all remedies available at law or in equity to ENRON, including the recovery of damages from Employee and his agents involved in such breach.

4.3 All written materials, records, and other documents made by, or coming into the possession of, Employee during the period of Employee's employment by ENRON which contain or disclose confidential business information or trade secrets of ENRON, its subsidiaries, divisions, or affiliates shall be and remain the property of ENRON, its subsidiaries, divisions, or affiliates, as the case may be. Upon termination of Employee's employment by ENRON, for any reason, Employee promptly shall deliver the same, and all copies thereof, to ENRON.

4.4 If, during Employee's employment by ENRON, Employee creates any original work of authorship fixed in any tangible medium of expression which is the subject matter of copyright (such as videotapes, written presentations on acquisitions, computer programs, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to Employer's business, products, or services, whether such work is created solely by Employee or jointly with others (whether during business hours or otherwise and whether on Employer's premises or otherwise), Employee shall disclose such work to ENRON. ENRON shall be deemed the author of such work if the work is prepared by Employee in the scope of his employment; or, if the work is

not prepared by Employee within the scope of his employment but is specially ordered by ENRON as a contribution to a collaborative work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and ENRON shall be the author of the work. If such work is neither prepared by the Employee within the scope of his employment nor a work specially ordered and is deemed to be a work made for hire, then Employee hereby agrees to assign, and by these presents does assign, to ENRON all of Employee's worldwide right, title, and interest in and to such work and all rights of copyright therein.

4.5 Both during the period of Employee's employment by ENRON and thereafter, Employee shall assist ENRON and its nominee, at any time, in the protection of Employer's worldwide right, title, and interest in and to information, ideas, concepts, improvements, discoveries, and inventions, and its copyrighted works, including without limitation, the execution of all formal assignment documents requested by ENRON or its nominee and the execution of all lawful oaths and applications for applications for patents and registration of copyright in the United States and foreign countries.

ARTICLE 5: CONFIDENTIAL INFORMATION; POST-EMPLOYMENT OBLIGATIONS

5.1 The terms of this Agreement constitute confidential information, which Employee shall not disclose to anyone other than Employee's spouse, attorneys, tax advisors, or as required by law. Disclosure of these terms is a material breach of this Agreement and could subject Employee to disciplinary action, including without limitation, termination of employment for cause.

5.2 ENRON agrees to and shall provide Employee with access to Confidential Information as described in Paragraph 4.2. Ancillary to the rights provided to Employee in Section 3.1, ENRON's provision of Confidential Information to Employee, and Employee's agreement not to disclose Confidential Information, and in order to protect the Confidential Information described above, ENRON and Employee agree to the following non-competition provisions. Employee agrees that during the Period of Post-Employment Non-Competition Obligations defined in Exhibit "A," Employee will not, directly or indirectly, for Employee or for others, in the Geographic Region of Responsibility described on Exhibit "A," or, if Employee's geographic region has changed, in any and all geographic regions in which Employee has worked during the 12-month period immediately preceding Employee's termination of Employment:

a. engage in the business of buying, selling, trading, structuring, or executing transactions in commodities, assets, or products in which ENRON is doing business, has plans to engage in business, or has engaged in business in the preceding 12-month period, including, but not limited to, gas, electricity, coal, chilled water, clean fuel, energy assets, paper, pulp, packaging, metals, weather products, interest rates, currencies, securities, or other commodities (including, without limitation, other energy commodities), or any futures, derivatives, or equities related to any of the foregoing, whether at wholesale

or retail, or the development of systems, information technology, accounting, or risk management with respect to any of the foregoing;

b. engage in other types of business performed by ENRON, including the acquiring or disposing of assets or equity investments or providing or raising capital, through loans, equity, joint ventures, partnerships, working interests, production payments, or similar arrangements into products, commodities, futures, derivatives, or other items in which ENRON currently is engaging in business, has plans to engage in business, or has engaged in business in the preceding 12-month period;

c. perform any job, task, function, skill, or responsibility that Employee has provided for ENRON in the preceding 12-month period; or

d. render advice or services to, or otherwise assist, any other person, association or entity in the business of "a," "b," or "c" above.

Employee understands that the foregoing restrictions may limit his or her ability to engage in certain businesses in the geographic region and during the period provided for above, but acknowledges that these restrictions are necessary to protect the Confidential Information ENRON has provided to Employee.

Employee further understands that if Employee accepts employment with a competitor as described in Section 5.2.a., b., c., or d. after the expiration of the Period of Post-Employment Non-Competition Obligations defined in Exhibit A, then any continuing obligations to pay Employee under Section 3.1.b. shall cease as of the first day of such employment by Employee.

Employee agrees that this provision defining the scope of activities constituting competition with ENRON is narrow and reasonable for the following reasons: (i) Employee is free to seek employment with other companies providing services that do not directly or indirectly compete with any business of ENRON; (ii) Employee is free to seek employment with other companies in the energy business that do not directly or indirectly compete with any business of ENRON, such as oil field service companies, drilling contractors, and oil field equipment manufacturers; and (iii) there are many other companies in the energy industry and in other industries that do not directly or indirectly compete with any business of ENRON. Thus, this restriction on Employee's ability to compete does not prevent Employee from using and offering the skills that Employee possessed prior to receiving Confidential Information, trade secrets, confidential training, and knowledge from ENRON.

5.3 For a period of twelve (12) months following the termination of employment for any reason, Employee will not call on, service, or solicit competing business from customers of ENRON, its subsidiaries, divisions, or affiliates whom that Employee, within the previous twenty-four (24) months, (i) had or made contact with, or (ii) had access to information and files about. These restrictions are limited by geography to the specific places, addresses, or locations where a customer is present and available for soliciting or servicing.

5.4 During Employee's employment, and for a period of twelve (12) months following the termination of employment for any reason, Employee will not, either Directly or Indirectly, call on, solicit, or induce any other employee or officer of ENRON, its subsidiaries, divisions, or affiliates whom Employee had contact with, knowledge of, or association with in the course of employment with ENRON to terminate his or her employment, and will not assist any other person or entity in such a solicitation.

5.5 The parties are entering into this Agreement with the express understanding that this Agreement is clear and fully enforceable as written. If Employee ever decides later to contend that any restriction on activities imposed by this Agreement no longer is enforceable as written or does not apply to an activity Employee intends to engage in on behalf of a competing business, Employee first will notify a member of ENRON's Board of Directors in writing and meet with a company representative at least fourteen (14) days before engaging in any activity that foreseeably could fall within the questioned restriction to discuss resolution of such claims (an "Early Resolution Conference"). Should the parties not be able to resolve disputes at the Early Resolution Conference, the parties agree to use confidential, binding arbitration to resolve the disputes. The arbitration shall be conducted in accordance with the then-current employment arbitration rules of the Judicial Arbitration & Mediation Services, Inc. (JAMS) before an arbitrator licensed to practice law in Texas. Either party may seek a temporary restraining order, injunction, specific performance, or other equitable relief regarding the provisions of this Section if the other party fails to comply with obligations stated herein. The parties' agreement to arbitrate applies only to the matters subject to an Early Resolution Conference.

5.6 Employee warrants that Employee is not a party to any other restrictive agreement limiting Employee's activities in his/her employment by ENRON. Employee further warrants that at the time of the signing of this Agreement, Employee knows of no written or oral contract or of any other impediment that would inhibit or prohibit employment with ENRON, and that Employee will not knowingly use any trade secret, confidential information, or other intellectual property right of any other party in the performance of Employee's duties hereunder. Employee shall hold ENRON harmless from any and all suits and claims arising out of any breach of such restrictive agreement or contracts.

ARTICLE 6: MISCELLANEOUS:

6.1 Employee shall refrain, both during and after his or her employment, from publishing any oral or written statements about ENRON, its respective subsidiaries or affiliates, or any of such entities' officers, employees, agents, or representatives that are slanderous, libelous, or defamatory; or that disclose private or confidential information about their business affairs; or that constitute an intrusion into their seclusion or private lives; or that give rise to unreasonable publicity about their private lives; or that place them in a false light before the public; or that constitute a misappropriation of their name or likeness.

6.2 Notices and all other communications shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail. Notices to ENRON shall be sent to Enron Corp., 1400 Smith Street, Houston, Texas 77002, Attention: Corporate Secretary. Notices and communications to Employee shall be sent to the address Employee most recently provided to ENRON.

6.3 ENRON is an Oregon citizen. ENRON's principal place of business is in Houston, Texas. Employee resides in London, England. This Agreement was negotiated and signed in Houston, Texas, and shall be performed in London, England. Any litigation that may be brought by either party involving the enforcement of this Agreement or the rights, duties, or obligations of this Agreement, shall be brought by either party involving the enforcement of this Agreement or the rights, duties, or obligations of this Agreement, shall be brought exclusively in the state or federal courts sitting in Houston, Harris County, Texas. This Agreement shall be governed in all respects by the laws of the state of Texas, excluding any conflict-of-law rule or principle that might refer the construction of the Agreement to the laws of another state or country.

6.4 Other than as described in section 3.2 a, no failure by either party at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of any provisions or conditions of this Agreement.

6.5 If a dispute arises out of or related to this Agreement, other than a dispute regarding Employee's obligations under Articles 4, 5 and 6.1, and if the dispute cannot be settled through direct discussions, then ENRON and Employee agree to try to settle the dispute in an amicable manner by confidential mediation before having recourse to any other proceeding or forum.

6.6 This Agreement shall be binding upon and inure to the benefit of ENRON and any other person, association, or entity that may acquire or succeed to all or substantially all of the business or assets of ENRON. Employee's rights and obligations under this Agreement are personal, and they shall not be assigned or transferred without ENRON's prior written consent.

6.7 Other agreements exist between ENRON and Employee relating to the employment relationship (e.g., obligations contained in Enron's Conduct of Business Affairs booklet and benefit plans). This Agreement replaces and merges other, previous agreements and discussions pertaining to the nature of, term, and termination of Employee's employment relationship with ENRON, and this Agreement constitutes the entire agreement of the parties with respect to such subject matters. No representation, inducement, promise, or agreement has been made by either party with respect to such subject matters, and no agreement, statement, or promise relating to the employment of Employee by ENRON that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party.

6.8 Employee shall at all times comply with United States laws applicable to Employee's actions on behalf of ENRON, including specifically, without limitation, the

United States Foreign Corrupt Practices Act, generally codified in 15 USC 78 (FCPA), as the FCPA may hereafter be amended, and/or its successor statutes. If Employee pleads guilty to or nolo contendere or admits civil or criminal liability under the FCPA or other applicable United States law, or if a court finds that Employee has personal civil or criminal liability under the FCPA or other applicable United States law, or if a court finds that Employee committed an action resulting in any Enron entity having civil or criminal liability or responsibility under the FCPA or other applicable United States law with knowledge of the activities giving rise to such liability or knowledge of facts from which Employee should have reasonably inferred the activities giving rise to liability had occurred or were likely to occur, such action or finding shall constitute "cause" for termination under this Agreement unless ENRON'S management committee (or, if there is no management committee, the highest applicable level of ENRON's management) determines that the actions found to be in violation of the FCPA or other applicable United States law were taken in good faith and in compliance with all applicable policies of ENRON and its subsidiaries, divisions, and affiliates.

IN WITNESS WHEREOF, ENRON and Employee have duly executed this Agreement in multiple originals to be effective on the date first stated above.

Enron Corp.

By: /s/ JEFFREY K. SKILLING
Jeffrey K. Skilling
President and Chief
Operating Officer

This ____ day of _____, 1998

Mark A. Frevert

/s/ MARK A. FREVERT
This 7th day of September, 1998

EXHIBIT "A" TO
EXECUTIVE EMPLOYMENT AGREEMENT
BETWEEN ENRON CORP. AND
MARK A. FREVERT

Employee Name: Mark A. Frevert
Term: June 1, 1998 through May 31, 2001
Position: Chairman and Chief Executive Officer,
Enron Capital & Trade Resources Corp. Europe
Location: London, England
Monthly Base Salary: Employee's monthly base salary
shall be Forty-One Thousand Six Hundred
and Sixty-Six and 67/100 Dollars

(\$41,666.67).

Bonus: Employee shall be eligible to participate in the Enron Corp. Annual Incentive Plan ("Plan") or any appropriate replacement bonus plan of ENRON. All bonuses shall be paid in accordance with the terms and provisions of the Plan, a portion of which may be paid in cash and a portion of which may be paid in stock options. Employee's bonus amounts under this Plan shall be based on a bonus target of \$500,000.00. In addition, if the Enron Wholesale Group meets their financial targets, Employee shall be eligible to receive an additional \$300,000.00 bonus target.

Geographic Region of Responsibility: Worldwide

Period of Post-Employment Non-Competition Obligations: Employee's obligations in paragraph 5.2 shall survive the termination of employment and extend through: (a) Twelve (12) months after Employee's last bonus payment of any kind from ENRON; or (b) twelve (12) months after the last date of Employee's employment with ENRON if such employment ends during the Term of this Agreement; or (c) twelve (12) months following the expiration of the Term of this Agreement, whichever is applicable.

Incentive Compensation:

Long Term Incentive Compensation: Employee shall receive the following Long Term Incentive Compensation:

1998

1. A grant of 30,000 shares of Enron Corp. Restricted Stock with 25% vesting on the date of Grant, and the remainder to vest in 25% increments on January 31, 1999, January 31, 2000, and January 31, 2001. The specific terms and conditions of these Restricted Shares will be evidenced by a Grant Agreement, which will govern.
2. A grant of 200,000 stock options, with 20% vesting upon date of Grant, with the remainder to vest in increments of 20% on December 31, 1998, December 31, 1999, December 31, 2000, and December 31, 2001. For 100,000 of the 200,000 options, the difference between the \$40-1/8 Enron Corp. stock price and the actual grant price for these options shall be delivered in additional shares of Enron Corp. restricted stock tied to the restricted stock vesting schedule described above. For example, if the stock option grant price is \$55-1/8, the \$15.00 difference will be multiplied by 100,000

and the sum shall be divided by $55\frac{1}{8}$ to determine the number of additional shares of Enron Corp. restricted stock.

1999 and 2000

3. In both 1999 and 2000, Employee shall be granted stock options having a grant value based on Black-Scholes (as determined annually by the Compensation Committee of the Enron Corp. Board of directors similar to other Enron Executives) of \$2,120,000.00 for each year. For example, if the Black-Scholes value of an Enron stock option was \$10.60, Employee would receive 200,000 stock options (\$2,120,000.00 , \$10.60). These stock options will be granted on December 31, 1998 and December 31, 1999, and shall vest 20% on the date of grant and 20% on December 31, of each of the next four (4) years following the date of grant. Each grant shall be evidenced by an award agreement, which shall govern.

Enron Corp.

By: /s/ JEFFREY K. SKILLING
Jeffrey K. Skilling
President and Chief Operating Officer
This ____ day of _____, 1998

Mark A. Frevert

/s/ MARK A. FREVERT
This 7th day of September, 1998

Exhibit 12

ENRON CORP. AND SUBSIDIARIES
Computation of Ratio of Earnings to
Fixed Charges
(Unaudited)

(In Millions)	Year Ended December 31,				
	1999	1998	1997	1996	1995
Earnings available for fixed charges					
Income from continuing operations	\$1,024	\$ 703	\$105	\$ 584	\$ 520
Less:					
Undistributed earnings and losses of less than 50% owned affiliates	(12)	(44)	(89)	(39)	(14)
Capitalized interest of nonregulated companies	(61)	(66)	(16)	(10)	(8)
Add:					
Fixed charges(a)	948	809	674	454	436
Minority interest	135	77	80	75	27
Income tax expense	137	204	(65)	297	310
Total	\$2,171	\$1,683	\$689	\$1,361	\$1,271
Fixed charges					
Interest expense(a)	\$ 900	\$ 760	\$624	\$ 404	\$ 386
Rental expense representative of interest factor	48	49	50	50	50
Total	\$ 948	\$ 809	\$674	\$ 454	\$ 436
Ratio of earnings to fixed charges	2.29	2.08	1.02	3.00	2.92

(a) Amounts exclude costs incurred on sales of accounts receivable.

Exhibit 21

ENRON CORP.
AND SUBSIDIARY COMPANIES
Subsidiary Interests as of 12/31/99

Subsidiary Companies and Limited Partnerships:

ATLANTIC COMMERCIAL FINANCE B.V., i.l. (Cayman Islands)
(100.00)
ATLANTIC COMMERCIAL FINANCE, INC. (Delaware) (100.00)
Compression Projects Finance Ltd. (Cayman Islands) (100.00)
EDC Atlantic Ltd. (Cayman Islands) (100.00)
Enron International Holdings Corp. (Delaware) (26.83%)
ATLANTIC WATER TRUST (Delaware) (100.00)
Azurix Corp. (Delaware) (100.00)
AEL Finance B.V. (The Netherlands) (100.00)
Azurix AGOSBA Holdings Ltd. (Cayman Islands) (100.00)
Azurix AGOSBA Ltd. (Cayman Islands) (100.00)
Azurix AGOSBA S.R.L. (Argentina) (.01)
Azurix Argentina Holding, Inc. (Delaware) (100.00)
Azurix Misiones S.R.L. (Argentina) (99.99)
Azurix AGOSBA S.R.L. (Argentina) (99.99)
Azurix Brasil Holdings Ltd. (Cayman Islands) (100.00)
Azurix Brasil Development Ltd. (Cayman Islands) (100.00)
Azurix Brasil Investments Ltd. (Cayman Islands) (100.00)
Azurix Brasil RDM Ltda.(Brazil) (100.00)
Azurix Cancun B.V. (The Netherlands) (100.00)
Azurix Cancun S. de R.L. de C.V. (Mexico) (99.97)
Desarrollos Hidraulicos de Cancun S.A. de C.V.
(Mexico) (100.00)
Aguakan, S.A. de C.V. (Mexico) (100.00)
Azurix Israel Ltd. (Israel) (100.00)
Azurix Chaoyang Holdings Ltd. (Cayman Islands) (100.00)
Azurix Chaoyang Investments Ltd. (Mauritius) (100.00)
Azurix Chengdu Holdings Ltd. (Cayman Islands) (100.00)
Azurix Chengdu Ltd. (Cayman Islands) (100.00)
Azurix Chile Holdings Ltd. (Cayman Islands) (100.00)
Azurix Aguas Manquehue Ltd. (Cayman Islands) (100.00)
Azurix China Holdings Ltd. (Cayman Islands) (100.00)
Azurix China Investments Ltd. (Cayman Islands) (100.00)
Azurix Colombia Holdings Ltd. (Cayman Islands) (100.00)
Azurix Colombia Investments Ltd. (Cayman Islands) (100.00)
Azurix Colombia Ltd. (Cayman Islands) (1.00)
Azurix Colombia Ltd. (Cayman Islands) (99.00)
Azurix Essbio Ltd. (Cayman Islands) (100.00)
Azurix Essel Ltd. (Cayman Islands) (100.00)
Azurix Finance Corp. (Delaware) (100.00)
Azurix Florida, Inc. (Delaware) (100.00)
Azurix Germany B.V. (The Netherlands) (100.00)
Sarah 99 Vermögensverwaltungs Gmbh (Germany) (100.00)
Azurix Ghana Ltd. (Cayman Islands) (100.00)
Azurix Ghana Operations Ltd. (Cayman Islands) (100.00)
Azurix Guangdong Holdings Ltd. (Cayman Islands) (100.00)
Azurix International Limited (England) (100.00)
Azurix Islands Ltd. (Cayman Islands) (100.00)
Azurix Jamaica Ltd. (Cayman Islands) (100.00)
Azurix Jose Holdings Ltd. (Cayman Islands) (100.00)
Azurix Jose Investments Ltd. (Cayman Islands) (100.00)
Azurix Jose Ltd. (Cayman Islands) (1.00)
Azurix Jose Ltd. (Cayman Islands) (99.00)
Azurix Korea Ltd. (Cayman Islands) (100.00)
Azurix Kuwait Ltd. (Cayman Islands) (100.00)
Azurix Lebanon Ltd. (Cayman Islands) (100.00)
Azurix Ltd. (Cayman Islands) (100.00)
Azurix Europe Ltd. (England) (100.00)

Azurix Margarita Island Investments Ltd. (Cayman Islands) (100.00)
 Azurix Margarita Island Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Madera Corp. (Delaware) (100.00)
 Azurix Mexico City B.V. (The Netherlands) (100.00)
 Azurix Mexico City, S. de R.L. de C.V. (Mexico) (100.00)
 Agua Industrial de Matamoros, S. A. de C.V. (Mexico) (99.8)
 Azurix Isla Mujeres B.V. (The Netherlands) (100.00)
 Azurix Cancun S. de R.L. de C.V. (Mexico) (.03)
 Desarrollos Hidraulicos de Cancun S.A. de C.V. (Mexico) (100.00)
 Aguakan, S.A. de C.V. (Mexico) (100.00)
 Azurix Misiones S.R.L. (Argentina) (.01)
 Azurix Mendoza Holding Inc. (Delaware) (100.00)
 Enron Capital & Trade Resources Argentina S.A. (Argentina) (00.01)
 Azurix Mendoza Investments Ltd. (Cayman Islands) (100.00)
 Azurix Misiones Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Misiones Ltd. (Cayman Islands) (100.00)
 Operadora de Misiones S.R.L. (Argentina) (.01)
 Operadora de Misiones S.R.L. (Argentina) (99.99)
 Azurix North America Corp. (Delaware) (100.00)
 Azurix North America (USA), Inc. (Delaware) (100.00)
 Allwaste/NAL, Inc. (Arizona) (100.00)
 Azurix Georgia, Inc. (Delaware) (100.00)
 Cormar Contracting Corporation (Louisiana) (100.00)
 Magnolia Construction Company (Louisiana) (100.00)
 Enviroganics of Texas, Inc. (Texas) (100.00)
 Madsen-Barr/Philip Management Corporation, Inc. (Delaware) (100.00)
 Ridin Pipeline Services, Inc. (Florida) (100.00)
 Philip Automated Management Controls, Inc. (Georgia) (100.00)
 Philip Utilities Management (Indiana) Corporation (Indiana) (100.00)
 Philip Utilities Management (Maine) Corporation (Maine) (100.00)
 Philip Utilities Management (Massachusetts) Corporation (Massachusetts) (100.00)
 Philip Utilities Management (New Jersey) Corporation (New Jersey) (100.00)
 Utility Management & Engineering Inc. (New Jersey) (100.00)
 Philip Utilities Management (Texas) Corporation (Texas) (100.00)
 Dittman-Merka Enterprises, Inc. (Texas) (100.00)
 Southwest Utilities, Inc. (Texas) (100.00)
 Walker Water Works, Inc. (Texas) (100.00)
 Trimax Residuals Management (USA), Inc. (Delaware) (100.00)
 Philip Utilities Management Corporation (Ontario) (100.00)
 Braemar Acres Limited (Ontario) (10.00)
 1242204 Ontario, Inc. (Ontario) (100.00)
 Rockcliffe Research Management, Inc. Canada Federal (100.00)
 Braemar Acres Limited (Ontario) (90.00)
 Thorburn Penny Limited (Ontario) (100.00)
 Horseshoe Carbons Incorporated (Ontario) (80.00)
 Trimax Residuals Management Inc (Delaware) (100.00)
 Uniflo Drain Services Inc. (Ontario) (100.00)
 1291063 Ontario, Inc. (Ontario) (100.00)
 Uniflo Utilities Management Corporation (Canada Federal) (100.00)
 Construction & Pavage Nord American Lte. (Quebec) (100.00)
 Uniflo Pipeliners East Inc. (Ontario) (100.00)
 Uniflo Sewer Services Inc. (Ontario) (100.00)
 Azurix Panama Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Panama Investments Ltd. (Cayman Islands) (100.00)
 Azurix Philippines Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Philippines Investments Ltd. (Cayman Islands) (100.00)
 Azurix Philippines Ltd. (Cayman Islands) (1.00)
 Azurix Philippines Ltd. (Cayman Islands) (99.00)

Azurix Port Said Limited (Cayman Islands) (100.00)
 Azurix Projects Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Projects Ltd. (Cayman Islands) (100.00)
 Azurix Rio Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Campos Grande Investments Ltd. (Cayman Islands) (100.00)
 Azurix Cuiaba Investments Ltd. (Cayman Islands) (100.00)
 Azurix Lagos Investments Ltd. (Cayman Islands) (100.00)
 Azurix South America Ltda. (Brazil) (50.00)
 SCE - Sociedade Carioca de Energia Ltda. (Brazil) (1.00)
 Azurix Manaus Investments Ltd. (Cayman Islands) (100.00)
 Azurix Rio Investments Ltd. (Cayman Islands) (100.00)
 SCE - Sociedade Carioca de Energia Ltda. (Brazil) (1.00)
 SPE - Sociedade Paulista de Energia Ltda. (Brazil) (1.00)
 Azurix South America Ltda. (Brazil) (50.00)
 SCE - Sociedade Carioca de Energia Ltda. (Brazil) (99.00)
 SPE - Sociedade Paulista de Energia Ltda. (Brazil) (99.00)
 Azurix Saigon Holding Co. (Cayman Islands) (100.00)
 Azurix Saigon Ltd. (Cayman Islands) (100.00)
 Azurix Suzhou Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Suzhou Investments Ltd. (Mauritius) (100.00)
 Azurix Suzhou Water Holdings Ltd. (Cayman Islands) (100.00)
 Enron Suzhou Water Ltd. (Pending) (100.00)
 Azurix Tangiers Ltd. (Cayman Islands) (100.00)
 Azurix Suez Ltd. (Cayman Islands) (100.00)
 Azurix Tetouan Ltd. (Cayman Islands) (100.00)
 Azurix U.K. Ltd. (Cayman Islands) (100.00)
 Azurix Utah, Inc. (Delaware) (100.00)
 Azurix Vietnam Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Vietnam Investments Ltd. (Cayman Islands) (100.00)
 Azurix Vietnam Ltd. (Cayman Islands) (1.00)
 Azurix Vietnam Ltd. (Cayman Islands) (99.00)
 Brunel Insurance Company (Guernsey) (100.00)
 Enron Capital & Trade Resources Argentina S.A. (Argentina) (99.00)
 PUMC Finance Ltd. (Cayman Islands) (100.00)
 Recycle UK Limited (England) (100.00)
 SC Technology AG (Switzerland) (100.00)
 SC Technology Deutschland GmbH (Germany) (100.00)
 UK Water International Limited (England) (100.00)
 Water Management International Limited (England) (100.00)
 Wessex Engineering Services Ltd (England) (100.00)
 Wessex international Water Services Ltd (England) (100.00)
 Wessex Managed Services Ltd (England) (100.00)
 Wessex Property Services Ltd (England) (100.00)
 Wessex Spring Water Limited (England) (100.00)
 Wessex Waste Management Ltd (England) (100.00)
 Wessex Water BV (England) (100.00)
 Wessex Water Care Ltd. (England) (100.00)
 Wessex Water Commercial Ltd (England) (100.00)
 Wessex Water Employee Trust Ltd (England) (100.00)
 Wessex Water Engineering Services Ltd (England) (100.00)
 Wessex Water Plc (England) (100.00)
 Wessex Water Services Limited (England) (100.00)
 Wessex Water Trustee Company Ltd (England) (100.00)
 Westran Ltd. (England) (100.00)
 AZURIX MENDOZA HOLDING INC. (Delaware) (100.00)
 Enron Capital & Trade Resources Argentina S.A. (Argentina) (99.99)
 BLACK BAY, LLC (Delaware) (31.50)
 EGRET I LLC (Delaware) (100.00)
 Whitewing Management LLC (Delaware) (100.00)
 ENA CLO 1 HOLDING COMPANY GP L.L.C. (Delaware) (100.00)
 ENA CLO 1 Holding Company I LP. (Delaware) (.0001)
 ENA CLO 1 Holding Company I I L.P. (Delaware) (50.00)
 ENA CLO 1 HOLDING COMPANY I I L.P. (Delaware) (50.00)
 ENRON ACQUISITION II CORP. (Delaware) (100.00)
 ENRON AGUAVEN HOLDINGS LTD. (Cayman Islands) (100.00)
 Enron Aguaven Investments Ltd. (Cayman Islands) (100.00)

Enron Agua Venezuela Ltd. (Cayman Islands) (99.00)
ENRON AMERICAS LIMITED (Cayman Islands) (100.00)
ENRON ASIA PACIFIC/AFRICA/CHINA LLC (Delaware) (100.00)
BR-VT Holdings Ltd. (Cayman Islands) (100.00)
EDP Power I, LLC (Delaware) (.01)
EDP Power II, LLC (Delaware) (100.00)
EDP Power I, LLC (Delaware) (99.99)
Enron Algeria Ltd. (Cayman Islands) (100.00)
Enron APACHI Seismic Inc. (Delaware) (30.00)
Enron Benin Power Ltd. (Cayman Islands) (100.00)
Electricite du Benin Holding Ltd. (Cayman Islands) (100.00)
Enron Benin Power Holdings Ltd. (Cayman Islands) (100.00)
Electricite Du Benin (Cayman Islands) (100.00)
Gazoduc du Benin Holding Ltd. (Cayman Islands) (100.00)
Gazoduc du Benin (Cayman Islands) (100.00)
Enron Biomass Ltd. (Cayman Islands) (100.00)
Enron Border Holdings Ltd. (Cayman Islands) (100.00)
Enron Border Investments Ltd. (Cayman Islands) (100.00)
Enron SAM Border Ltd. (Cayman Islands) (99.00)
Enron Changjiang Utilities Holdings Ltd. (Cayman Islands) (100.00)
Enron China Services LLC (Delaware) (100.00)
Enron China Gas Transport Holdings Ltd. (Cayman Islands) (100.00)
Enron China Gas Transport Ltd. (Cayman Islands) (100.00)
Enron China Power Holdings Ltd. (Cayman Islands) (100.00)
Enron CI-GH Pipeline Ltd. (Cayman Islands) (100.00)
Enron Cote d'Ivoire Pipelines Ltd. (Cayman Islands) (100.00)
Enron Development (Philippines) Ltd. (Cayman Islands) (100.00)
Enron Development Funding Ltd. (Cayman Islands) (100.00)
Enron Development Management Ltd. (Cayman Islands) (100.00)
Enron Guam Piti Corporation (Guam) (100.00)
ENRON DEVELOPMENT PITI HOLDINGS CORP. (Delaware) (100.00)
Marianas Energy Company LLC. FUCO (Delaware) (50.00)
Enron Development Vietnam L.L.C. (Delaware) (99.00)
Enron DRI Development Holdings Ltd. (Cayman Islands) (100.00)
Enron Ghana Power Holdings Ltd. (Cayman Islands) (100.00)
Enron Hainan Ltd. (Cayman Islands) (100.00)
Enron Inchon Power Holdings Ltd. (Cayman Islands) (100.00)
Enron Indonesia Gas Ltd. (Cayman Islands) (100.00)
Enron International Asia Pacific Ltd. (Cayman Islands) (100.00)
Enron International Australia Capital Ltd. (Cayman Islands) (100.00)
Enron International Australia Gas Ltd. (Cayman Islands) (100.00)
Enron International Australia Ltd. (Cayman Islands) (100.00)
Enron International Bach Ho Ltd. (Cayman Islands) (100.00)
Enron International Chengdu Power Holdings Ltd. (Cayman Islands) (100.00)
Enron International Chengdu Power Ltd. (Mauritius) (100.00)
Sichuan Jialing Electric Power Co., Ltd. (China) (100.00)
Enron International China Clean Energy Ltd. (Cayman Islands) (100.00)
Enron International China CP Ltd. (Cayman Islands) (100.00)
Enron International China Pipeline Ltd. (Cayman Islands) (100.00)
Enron International China Gas Ltd. (Cayman Islands) (100.00)
Enron China Ltd. (Cayman Islands) (100.00)
Enron International Gansu Gas Ltd. (Cayman Islands) (100.00)
Enron International Hainan Pipeline Ltd. (Cayman Islands) (100.00)
Enron International Holdings Ltd. (Cayman Islands) (100.00)
Enron International Investments Ltd. (Cayman Islands) (100.00)
Enron International Development Ltd. (Cayman Islands) (99.00)
Enron International Japan, LLC (Delaware) (100.00)
Enron International Korea Holdings Corp. (Delaware) (100.00)
Enron International Korea Holdings Company Ltd. (Cayman Islands)
(100.00)
Enron International Korea LLC (Delaware) (100.00)
SK-Enron Co., Ltd. (Korea) (50.00)
Bobae City Gas Co., Ltd. FUCO (Korea) (51.00)
Byucksan Energy Co., Ltd. FUCO (Korea) (86.84)
Chongju City Gas Co., Ltd. FUCO (Korea) (100.00)
Choog Nam City Gas Co., Ltd. (Korea) (51.00)

Daehan City Gas Co., Ltd. FUCO (Korea) (40.00)
Daehan City Gas Engineering (Korea) (Pending)
Daeil City Gas Co., Ltd. FUCO (Korea) (86.50)
Bobae City Gas Co., Ltd. FUCO (Korea) (49.00)
Dongbu Haeyang City Gas Co., Ltd. FUCO (Korea)
(100.00)
Byucksan Energy Co., Ltd. FUCO (Korea) (13.16)
Daeil City Gas Co., Ltd. FUCO (Korea) (13.50)
Kuk-il Energy (Korea)
Kumi City Gas Co., Ltd. FUCO (Korea) (100.00)
Pohang City Gas Co., Ltd. FUCO (Korea) (100.00)
Pusan City Gas Co., Ltd. FUCO (Korea) (40.00)
Daehan City Gas Co., Ltd. FUCO (Korea) (7.84)
Pusan City Gas Development Co. (Korea) (100.00)
SK Gas Co., Ltd. FUCO (Korea) (45.53)
Enron International Korea Investments Ltd. (Cayman Islands) (100.00)
Enron International Korea Energy Ltd. (Cayman Islands) (100.00)
Enron International Korea Operating Services Corp. (Delaware) (100.00)
Enron International Korea Resources LLC (Delaware) (100.00)
Enron International Korean Steel Company Ltd. (Cayman Islands) (100.00)
Enron International Mariana Holdings Ltd. (Cayman Islands) (100.00)
Enron International Mariana L.L.C. (Cayman Islands) (100.00)
Enron International Mariana Power Inc. (Cayman Islands) (100.00)
Enron International Merchant Holdings Inc. (Delaware) (100.00)
Enron Australia Energy Holdings Ltd. (Cayman Islands) (100.00)
Enron Australia Energy Investments LLC (Delaware) (100.00)
Enron Australia Energy Pty Limited (Australia) (100.00)
Enron Australia Finance Holdings Ltd. (Cayman Islands) (100.00)
Enron Australia Finance Investments LLC (Delaware) (100.00)
Enron Australia Finance Pty Limited (Australia) (100.00)
Enron Australia Holdings Ltd. (Cayman Islands) (100.00)
Enron Australia Investments LLC (Delaware) (100.00)
Enron Australia Pty Limited (Australia) (100.00)
Enron International Nigeria Gas Ltd. (Cayman Islands) (100.00)
Enron International Mongolia Investments Ltd. (Cayman Islands) (100.00)
Enron International Mongolia Ltd. (Cayman Islands) (100.00)
Enron International Morocco Ltd. (Cayman Islands) (100.00)
Enron International Philippines Energy Ltd. (Cayman Islands) (100.00)
Enron International Philippines Holdings Ltd. (Delaware) (100.00)
Enron International Philippines Investments Ltd. (Delaware) (100.00)
Enron International Philippines Pipelines Ltd. (Cayman Islands) (100.00)
Enron International Siam Power Ltd. (Cayman Islands) (100.00)
Enron International Sichuan Gas Investments Ltd. (Cayman Islands)
(100.00)
Enron International Taiwan Ltd. (Cayman Islands) (100.00)
Enron International Thailand Ltd. (Cayman Islands) (100.00)
Enron International Thai-Gen Holdings Ltd. (Cayman Islands) (100.00)
Enron International Thai-Lao Holdings Ltd. (Cayman Islands) (100.00)
Enron International Thailand NSM Ltd. (Cayman Islands) (100.00)
Chonburi Cogen Limited (Thailand) (99.30)
Enron International Tianjin Power Ltd. (Cayman Islands) (100.00)
Enron International Tuas Ltd. (Cayman Islands) (100.00)
Enron International Uganda Ltd. (Cayman Islands) (100.00)
Enron International Xiamen PTA Ltd. (Cayman Islands) (100.00)
Enron International Zambia Holdings Ltd. (Cayman Islands) (100.00)
Enron International Zambia Investments Ltd. (Cayman Islands)
(100.00)
Enron Japan Strategic Investments Ltd. (Cayman Islands) (100.00)
Enron Korea Anyang/Buchon Power Ltd. (Cayman Islands) (100.00)
Enron Korea Gas Holdings Ltd. (Cayman Islands) (100.00)
Enron Korea Gas Investments LLC (Delaware) (100.00)
Enron Korea Seosan Power Ltd. (Cayman Islands) (100.00)
Enron Malaysia Power Holdings Ltd. (Cayman Islands) (100.00)
Enron Morocco Ltd. (Cayman Islands) (100.00)
Enron Nigeria Power Holding Ltd. (Cayman Islands) (100.00)
Enron Nigeria Barge Holding Ltd. (Cayman Islands) (100.00)

Enron Nigeria Barge Ltd. (Nigeria) (100.00)
 Enron Nigeria IPP Holding Ltd. (Cayman Islands) (100.00)
 Enron Nigeria Pipeline Holding Ltd. (Cayman Islands) (100.00)
 Enron Nippon Holdings LLC (Delaware) (100.00)
 EnCom Corp. (Delaware) (68.27)
 Enron Papua New Guinea Ltd. (Cayman Islands) (100.00)
 Enron Philippines Hydroelectric Holdings Ltd. (Cayman Islands) (100.00)
 Enron Philippines Hydroelectric Power Ltd. (Cayman Islands) (100.00)
 Enron Siam Energy Holdings Ltd. (Cayman Islands) (100.00)
 Enron Sichuan Holdings Ltd. (Cayman Islands) (100.00)
 Enron Sichuan Investments Ltd. (Cayman Islands) (100.00)
 Enron Sichuan Ltd. (Cayman Islands) (99.00)
 Enron Southern Africa Holdings (Cayman Islands) (100.00)
 Enron Southern Africa Investments (Cayman Islands) (100.00)
 Enron Southern Africa Development Ltd. (Cayman Islands) (99.00)
 Enron Taiwan Power Holdings Ltd. (Cayman Islands) (100.00)
 Enron Thai Holdings Ltd. (Cayman Islands) (100.00)
 Enron Thai Investments Ltd. (Cayman Islands) (100.00)
 Enron Thailand Ltd. (Cayman Islands) (99.00)
 Enron Soc Trang Power Holdings II Ltd. (Cayman Islands) (100.00)
 Enron Soc Trang Power Holdings I Ltd. (Cayman Islands) (100.00)
 Enron Soc Trang Power Holdings, Ltd. (Cayman Islands) (100.00)
 Enron Victoria Power Ltd. (Cayman Islands) (100.00)
 Enron Vietnam Power Ltd. (Cayman Islands) (100.00)
 Enron Ba Ria Power Company Ltd. (Cayman Islands) (100.00)
 Vung Tau Power Ltd. (Cayman Islands) (100.00)
 Enron West Africa Power Ltd. (Cayman Islands) (100.00)
 EP InterOil, Ltd. (Cayman Islands) (40.00)
 InterOil Pty Limited (New Guinea) (100.00)
 Hainan Funding Ltd. (Cayman Islands) (100.00)
 Multiva Holdings, Ltd. (Cayman Islands) (100.00)
 Ilijan Power Corporation (Philippines) (100.00)
 ENRON AMERICAS, INC. (Delaware) (100.00)
 The Protane Corporation (Delaware) (100.00)
 Citadel Corporation Limited (Cayman Islands) (100.00)
 Citadel Venezolana, S.A. (Venezuela) (100.00)
 Interruptores Especializados Lara, S.A. (Venezuela) (66.00)
 Enron Caribbean Holdings Ltd. (Cayman Islands) (100.00)
 Enron (Barbados) International Business Corporation (Barbados) (100.00)
 Industrial Gases Limited (Jamaica) (100.00)
 Manufacturera de Aparatos Domesticos, S.A. (Venezuela) (41.77)
 Enron Americas Energy Services, Inc. (Puerto Rico) (100.00)
 ProCaribe Division of The Protane Corporation (Delaware) (100.00)
 Progasco, Inc. (Puerto Rico) (100.00)
 V. Holdings Industries, S.A. (Venezuela) (100.00)
 Finven Financial Institution Limited (Cayman Islands) (100.00)
 Enron Dominicana Holding Limited Partnership (Cayman Islands) (99.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (35.00)
 Industrias Ventane, S.A. (Venezuela) (100.00)
 Duck Lake International A.V.V. (Aruba) (97.00)
 Industrial Larcada, S.A. (Venezuela) (100.00)
 Industrias Electricas de Ventane Ltd. (Cayman Islands) (100.00)
 Compania Anonima Luz y Fuerza Electrica de Puerto Cabello (Pending) (93.59)
 Industrias Electricas de Ventane I Ltd. (Cayman Islands) (100.00)
 Servicios Consolidados Ventane, S.A. (Venezuela) (100.00)
 Servicios Vengas, S.A. (Venezuela) (100.00)
 Transporte Mil Ruedas, S.A. (Venezuela) (100.00)
 Vengas de Caracas, S.A. (Venezuela) (100.00)
 Vengas de Occidente, S.A. (Venezuela) (100.00)
 Vengas de Oriente, S.A. (Venezuela) (100.00)

Vengas del Centro, S.A. (Venezuela) (100.00)
 ENRON BRAZIL POWER HOLDINGS 19 LTD. (Cayman Islands) (100.00)
 ENRON (BRAZIL POWER INVESTMENTS 19 LTD. (Cayman Islands) (100.00)
 ENRON CAPITAL LLC (Turks & Caicos Isles) (99.00)
 ENRON CAPITAL RESOURCES, L.P. (Delaware) (21.00)
 ENRON CARIBBEAN BASIN LLC (Delaware) (100.00)
 Electricidad Enron de Venezuela Holdings Ltd (Cayman Islands) (100.00)
 Electricidad Enron de Venezuela Ltd (Cayman Islands) (100.00)
 Geneval Ltd. (Cayman Islands) (100.00)
 Enron Caribe Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe I Ltd. (Cayman Islands) (100.00)
 Enron Caribe III Ltd. (Cayman Islands) (100.00)
 Enron Internacional Panama, S.A. (Panama) (100.00)
 Empresa de Generacion Electrica Bahia Las Minas, S.A. FUCO (Panama)
 (51.00)
 Enron Property Management Corp. (Delaware) (100.00)
 Enron Leasing Partners, L.P. (Delaware) (1.00)
 Enron Caribe IV Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe VII Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe VII Ltd. (Cayman Islands) (100.00)
 Enron Caribbean Basin Energy Services Ltd. (Cayman Islands) (100.00)
 Enron Caribbean Finance Ltd. (Cayman Islands) (100.00)
 Enron Columbia Holdings Ltd. (Cayman Islands) (100.00)
 ACCROSERV SRL (Barbados) (47.50)
 Enron Colombia Inc. (Delaware) (100.00)
 Enron Colombia Inc.-Colombia Branch (Colombia) (100.00)
 Enron Colombia Transportation B.V. Colombia Branch (Colombia) (100.00)
 Enron Dominicana LNG Holdings Ltd. (Cayman Islands) (100.00)
 Enron Dominicana LNG Ltd. (Cayman Islands) (100.00)
 Enron Electrica de Venezuela Holdings Ltd. (Cayman Islands) (100.00)
 Enron Electrica de Venezuela I Ltd. (Cayman Islands) (100.00)
 Enron Electrica de Venezuela Ltd. (Cayman Islands) (100.00)
 Enron Gas Trade & Processing Ltd. (Cayman Islands) (100.00)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles)
 (49.00)
 Smith/Enron O&M Limited Partnership (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos
 Isles) (1.00)
 Smith/Enron O&M Limited Partnership (Turks & Caicos Isles) (1.00)
 Enron Egypt Power Ltd. (Cayman Islands) (100.00)
 Enron Energy Marketing Colombia Ltd. (Cayman Islands) (100.00)
 Enron Gas de Venezuela Ltd. (Cayman Islands) (100.00)
 Enron Gas Trade & Processing Holdings Ltd. (Cayman Islands) (100.00)
 Enron Guatemala Holdings Ltd. (Cayman Islands) (100.00)
 Enron Industrial de Venezuela Ltd. (Cayman Islands) (100.00)
 ACCROVEN SRL (Barbados) (49.25)
 Enron International Central America Holdings Ltd. (Cayman Islands) (100.00)
 Enron International Central America Ltd. (Cayman Islands) (100.00)
 Enron International Costa Rica Holdings Ltd. (Cayman Islands) (100.00)
 Enron International CR Ltd. (Cayman Islands) (100.00)
 Enron International CR Holdings Ltd (Cayman Islands) (100.00)
 Enron International Guatemala Ltd. (Cayman Islands) (100.00)
 Enron LNG Atlantic Ltd. (Cayman Islands) (99.00)
 Enron LNG Holdings Ltd. (Cayman Islands) (100.00)
 Enron LNG Investments Ltd. (Cayman Islands) (100.00)
 Enron LNG Services Ltd. (Cayman Islands) (99.00)
 Enron LNG Middle East Ltd. (Cayman Islands) (100.00)
 Enron LNG Power (Atlantic) Ltd. (Cayman Islands) (100.00)
 LNG Power I, LLC (Cayman Islands) (00.01 Value) (100.00 Voting)
 LNG Power III, LLC (Cayman Islands) (75.00 Value)
 Buenergia Gas & Power Ltd. (Cayman Islands) (100.00)
 EcoElectrica Holdings, Ltd. (Cayman Islands) (50.00)
 EcoElectrica L.P.FUCO (Bermuda) (99.00)
 EcoElectrica, Ltd. (Cayman Islands) (100.00)

Enron Qatar Holdings Ltd. (Cayman Islands) (100.00)
Enron Qatar Investments Ltd. (Cayman Islands) (100.00)
Enron Qatar Ltd. (Cayman Islands) (99.00)
 Enron Qatar LNG Marketing Ltd (Cayman Islands) (99.00)
Enron Servicios De Electricidad Holdings Ltd. (Cayman Islands) (100.00)
Enron Servicios de Electricidad Colombia Ltd (Cayman Islands) (99.00)
 EcoElectrica L.P. FUCO (Bermuda) (1.00)
Enron Reserve 9 B.V. (The Netherlands) (100.00)
Enron Reserve I B.V (The Netherlands) (100.00)
Enron Servicios Energeticos Holdings Ltd. (Cayman Islands) (100.00)
 Enron Servicios Energeticos Ltd. (Cayman Islands) (100.00)
 Enron Power II C.V. (The Netherlands) (1.00)
Enron Venezuela Services Holdings Ltd. (Cayman Islands) (100.00)
 Enron Venezuela Services I Ltd. (Cayman Islands) (100.00)
 Enron Venezuela Services II Ltd. (Cayman Islands) (100.00)
 Enron Venezuela Services III Ltd. (Cayman Islands) (100.00)
 Enron Venezuela Services IV Ltd. (Cayman Islands) (100.00)
 Enron Venezuela Services Ltd. (Cayman Islands) (100.00)
Enron Venezuela Services, Inc. (Delaware) (100.00)
 Enron Venezuela Services Investments Ltd. (Cayman Islands) (100.00)
Enron VenSteel Ltd (Cayman Islands) (100.00)
Inversiones Electricas del Caribe Holdings Ltd. (Cayman Islands) (100.00)
 Inversiones Electricas del Caribe Ltd. (Cayman Islands) (100.00)
TVC Communications Ltd. (Cayman Islands) (100.00)
San Juan Gas Company, Inc. Fuco (Puerto Rico) (100.00)
ENRON CAYMAN LEASING LTD. (Cayman Islands) (100.00)
ENRON COLOMBIA POWER MARKETING HOLDING LTD. (Cayman Islands) (100.00)
 Enron Colombia Power Marketing Ltd. (Cayman Islands) (100.00)
ENRON CPO FINANCE I, INC. (Delaware) (100.00)
 Enron CPO Partners I, L.P. (Delaware) (99.00)
 Enron CPO Holdings Intermediate, L.P. (Delaware) (99.00)
 Enron International CPO, L.P. (Delaware) (99.00)
ENRON CPO FINANCE II, INC. (Texas) (100.00)
 Enron CPO Partners I, L.P. (Delaware) (1.00)
ENRON CPO HOLDINGS, INC. (Delaware) (100.00)
 Enron International CPO, L.P. (Delaware) (1.00)
 Enron International CPO, Inc. (Delaware) (100.00)
 Enron International CPO, B.V. (The Netherlands) (100.00)
ENRON CPO MANAGEMENT HOLDINGS I, INC. (Delaware) (100.00)
 Enron CPO Management, L.P. (Delaware) (99.00)
ENRON CPO MANAGEMENT HOLDINGS II, INC. (Delaware) (100.00)
 Enron CPO Management, L.P. (Delaware) (1.00)
ENRON CPO PARTNERS II, INC. (Delaware) (100.00)
 Enron CPO Holdings Intermediate, L.P. (Delaware) (1.00)
ENRON GLOBAL LNG LLC (Delaware) (100.00)
 Enron Egypt Power Ltd. (Cayman Islands) (100.00)
 Enron International Fuel Management Company (Delaware) (100.00)
 Enron International Gas Sales Company (Delaware) (100.00)
 Enron LNG Shipping Company (Cayman Islands)
 Enron International Global Funding Ltd. (Cayman Islands) (100.00)
 Greenfield Holding Company (Cayman Islands) (100.00)
 Greenfield Shipping Company Limited (Cayman Islands) (99.8)
 Redfield Holding Company Limited (Cayman Islands) (100.00)
ENRON CAPITAL INVESTMENT S CORP. (Delaware) (100.00)
 Enron Diversified Investments Corp. (Delaware) (100.00)
 Enron Valkyrie, LLC (Delaware) (5.00)
ENRON CAPITAL & TRADE RESOURCES SOUTH AMERICA S.A. (Argentina) (50.00)
ENRON CAPITAL TRUST I (Delaware) (100.00)
Enron Preferred Funding, L.P. (Delaware) (97.00)
ENRON CAPITAL TRUST II (Delaware) (100.00)
Enron Preferred Funding II, L.P. (Delaware) (97.00)
ENRON CAYMAN RESERVE 4 LTD. (Cayman Islands) (100.00)
ENRON CAYMAN RESERVE 6 LTD. (Cayman Islands) (100.00)
ENRON CAYMAN RESERVE 12 LTD. (Cayman Islands) (100.00)
ENRON CESKA REPUBLIKA LTD. (The Netherlands) (100.00)
ENRON CLEAN ELECTRICITY LTD. (Cayman Islands) (100.00)

ENRON COAL COMPANY (Delaware) (100.00)
ENRON COAL PIPELINE COMPANY (Delaware) (100.00)
ENRON COMMUNICATIONS GROUP, INC. (Oregon) (100.00)
 Enron Communications, Inc. (Oregon) (100.00)
 ECI-Texas, L.P. (Texas) (1.00)
 EnRock, L.P. (Texas) (49.50)
 ECI-Nevada Corp. Nevada (100.00)
 ECI-Texas, L.P. (Texas) (99.00)
 EnRock Management, LLC (Texas) (50.00)
 EnRock, L.P. (Texas) (1.00)
 Enron Communications Asia I, Ltd. (Cayman Islands) (100.00)
 Enron Communications Facilities I, Ltd. (Cayman Islands) (100.00)
 Enron Communications India I, Ltd. (Cayman Islands) (100.00)
 Enron Communications Investments Corp. (Oregon) (100.00)
 Enron Communications Leasing Corp. (Nevada) (100.00)
 Enron Communications Services I, Ltd. (Cayman Islands)
Enron Global Communications Ltd. (Cayman Islands) (100.00)
Enron Globalcom Bolivia, Ltd. (Cayman Islands) (100.00)
 Enron Globalcom Brazil, Ltd. (Cayman Islands) (100.00)
FTV Communications L.L.C. (Delaware) (33.33)
 G-Future, L.L.C. (Delaware) (100.00)
 G-Past, L.L.C. (Delaware) (100.00)
 G-Present, L.L.C. (Delaware) (100.00)
 Modulus Technologies, Inc. (Texas) (100.00)
ENRON CTS INTERNATIONAL, INC. (Delaware) (100.00)
 Rio Geo LLC (Delaware) (30.00)
ENRON DEVELOPMENT TURKEY LTD. (Cayman Islands) (100.00)
ENRON DUTCH HOLDINGS B.V. (The Netherlands) (100.00)
 Enron Dutch Investment (England) (99.90)
 Sarlux s.r.l. (Italy) (45.00)
ENRON ECUADOR TRANSPORTATION HOLDINGS LTD. (Cayman Islands) (100.00)
 Enron Ecuador Transportation Ltd. (Cayman Islands) (100.00)
ENRON EESACQUISITION I CORP. (Delaware) (100.00)
Jon Pierce Incorporated (Texas) (100.00)
ENRON ENERGY SERVICES INTERNATIONAL CO. (Delaware) (100.00)
 Energia Eficiente de Mexico Holding, S. de R.L. de C.V. (Mexico) (50.00)
 Enron Energy Services Canada Co. Ltd (Canada) (100.00)
 Enron Energy Services Europe B.V. (The Netherlands) (100.00)
 Enron Energy Services, Limited
 Enron Energy Services Operations U.K.
 Limited (England) (100.00)
 Enron Energy Services Engineering U.K.
 Limited (England) (100.00)
 Enron Energy Services International Leasing, Inc. (Delaware) (100.00)
 Enron Energy Services Mexico Holding Co. (Delaware) (100.00)
 Energia Eficiente de Mexico Holding, S. de R.L. de C.V. (Mexico)
 (50.00)
 Enron Energy Services South America Ltd. (Cayman Islands) (100.00)
 Enron Energy Services Puerto Rico Corporation (Puerto Rico) (100.00)
ENRON ENERGY SERVICES L.L.C. (\$) (Delaware) (100.00)
Enron Energy Services Operations, Inc. (Delaware) (100.00)
 Blackbird 1 LLC (Delaware) (100.00)
 Blackbird 2 LLC (Delaware) (100.00)
 Clinton Energy Management Services, Inc. (Ohio) (100.00)
 EESO-OC Holdings #1 LLC (Delaware) (100.00)
 EESO-OC Holdings #2 LLC (Delaware) (100.00)
 Enron Acquisition III Corp. (Delaware) (100.00)
 Enron Energy Services, Inc. (Delaware) (100.00)
 Enron Energy Services Capital Corp. (Delaware) (100.00)
 Enron Federal Solutions, Inc. (Delaware) (100.00)
 Owens Corning Energy LLC (Delaware) (20.00)
 Omnicomp, Inc. (Pennsylvania) (100.00)
The Bentley Company (California) (100.00)
Bentley Energy Services, Inc. (California) (100.00)
 EMW Eenergy Services Corp. (Delaware) (Not Avail)
ENRON EPICYCLE THREE B.V. (The Netherlands) (100.00)

ENRON EPICYCLE SEVEN B.V. (The Netherlands) (100.00)
 Azurix Israel Ltd. (Israel) (100.00)
 ENRON EPICYCLE EIGHT B.V. (The Netherlands) (100.00)
 ENRON EQUITY CORP. FUCO (Delaware) (86.00)
 ECT Colombia Pipeline Holdings 1 Ltd. (Cayman Islands) (100.00)
 ECT Colombia Pipeline Holdings 2 Ltd. FUCO (Cayman Islands)
 (100.00)
 Promigas S.A., E.S.P. FUCO (Pending). (41.23)
 Gases de la Guajira S.A., E.S.P. FUCO (Pending) (6.21)
 Gases del Caribe S.A., E.S.P. (Pending) (30.99)
 Gases de la Guajira S.A., E.S.P. FUCO (Pending).
 (78.45)
 Gas de Risaralda S.A. FUCO (Pending) (17.07)
 Gasnacol S.A. FUCO (Pending). (14.00)
 Suritas S.A., E.S.P. FUCO (Pending). (80.07)
 Gasnacol S.A. FUCO (Pending). (14.00)
 Tolgas S.A. FUCO (Pending). (9.15)
 Gas Trade Servios Ltda. (Cayman Islands) (100.00)
 Enron Colombia Holdings de ECT Cayman Reserve 3 Ltd.
 & CIA, S.en C. (Colombia) (1.00)
 Gas Trade Servicios Investments 1 Ltda. (Cayman Islands) (100.00)
 Enron Colombia Holdings de ECT Cayman Reserve 3 Ltd. & CIA,
 S.en C. (Colombia) (99.00)
 Enron Colombia Marketing Holdings Ltd. (Cayman Islands) (100.00)
 Gas Trade Servicios Investments 1 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 2 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 3 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 4 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 5 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments Ltda. (Cayman Islands) (49.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (1.90)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks &
 Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles)
 (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks &
 Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles)
 (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. Guatemala (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Holding Company L.L.C. (Delaware) (78.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 EGPP Services Inc. (Delaware) (100.00)
 Enron Commercial Finance Ltd. (Cayman Islands) (100.00)
 Enron Cayman Reserve 5 Ltd. (Cayman Islands) (100.00)
 Enron Colombia Transportation Ltd. (Cayman Islands)
 (100.00)
 Enron Colombia Investments Limited
 Partnership (Cayman Islands) (1.00)
 Enron Colombia Operations
 Limited Partnership (Cayman Islands) (99.00)
 Enron Pipeline Colombia Limited
 Partnership (Cayman Islands) (1.00)
 Enron Colombia Operations
 Limited Partnership (Cayman Islands) (1.00)
 Enron Pipeline Company - Colombia Ltd. (Texas) (99.00)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)

Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Pipeline Company - Argentina S.A. (Argentina) (100.00)
 Compania de Inversiones de Energia S.A. (Argentina) (25.00)
 Enron de Inversiones de Energia S.A. (Argentina) (100.00)
 Transportadora de Gas del Sur S.A. (Argentina) (70.00)
 Energia de Argentina Ltd. (Cayman Islands) (100.00)
 Enron Argentina CIESA Holding S.A. (Argentina) (.01)
 Enron Total de (Argentina) Ltd. (Cayman Islands) (100.00)
 Enron CIESA Holding L.L.C. Ltd. (Cayman Islands) (51.00)
 Enron Argentina CIESA Holding S.A. (Argentina) (99.99)
 EPCA CIESA Holding L.L.C. Ltd. (Cayman Islands) (100.00)
 EPCA CIESA Inversiones Limitada (Chile) (99.00)
 Compania de Inversiones de Energia S.A. (Argentina) (8.33)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. Guatemala (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Light Hydrocarbons France (France) (100.00)
 Norelf Limited (Bermuda) (50.00)
 ENRON EUROPE L.L.C. (Delaware) (100.00)
 Enron Dutch Investment (England) (.10)
 Enron Dutch Investment No. 2 (England) (.10)
 Enron Europe Limited (England) (12.50)
 Bretton Holdings (One) Limited (England) (100.00)
 SBI 3 Limited (England) (100.00)
 ECT Spain Limited (England) (100.00)
 ECT Espana Limited (England) (100.00)
 Enron Capital & Trade Resources Limited FUCO (England) (100.00)
 Enron Coal Services Limited (England) (100.00)
 Enron Coal Asia Pacific Pty Limited (Australia) (100.00)
 Enron Engineering Services (England) (99.00)
 Enron Europe Operations Limited EWG (England) (100.00)
 Godwit 1 Limited (England) (100.00)
 Godwit 2 Limited (England) (100.00)
 Godwit 3 Limited (England) (100.00)
 Godwit 4 Limited (England) (100.00)
 Godwit 5 Limited (England) (100.00)
 Godwit 6 Limited (England) (100.00)
 Godwit 7 Limited (England) (100.00)
 Godwit 8 Limited (England) (100.00)
 Godwit 9 Limited (England) (100.00)
 Godwit 10 Limited (England) (100.00)
 Godwit 11 Limited (England) (100.00)
 Godwit 12 Limited (England) (100.00)
 Godwit 13 Limited (England) (100.00)
 Godwit 14 Limited (England) (100.00)
 Godwit 15 Limited (England) (100.00)
 Godwit 16 Limited (England) (100.00)
 Godwit 17 Limited (England) (100.00)
 Godwit 18 Limited (England) (100.00)
 Godwit 19 Limited (England) (100.00)

Godwit 20 Limited (England) (100.00)
Godwit 21 Limited (England) (100.00)
Godwit 22 Limited (England) (100.00)
Godwit 23 Limited (England) (100.00)
Godwit 24 Limited (England) (100.00)
Godwit 25 Limited (England) (100.00)
Godwit 26 Limited (England) (100.00)
Godwit 27 Limited (England) (100.00)
Godwit 28 Limited (England) (100.00)
Godwit 29 Limited (England) (100.00)
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Godwit 32 Limited (England) (100.00)
Godwit 33 Limited (England) (100.00)
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Godwit 38 Limited (England) (100.00)
Godwit 39 Limited (England) (100.00)
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Godwit 41 Limited (England) (100.00)
Godwit 42 Limited (England) (100.00)
Godwit 43 Limited (England) (100.00)
Godwit 44 Limited (England) (100.00)
Godwit 45 Limited (England) (100.00)
Godwit 46 Limited (England) (100.00)
Godwit 47 Limited (England) (100.00)
Godwit 48 Limited (England) (100.00)
Godwit 49 Limited (England) (100.00)
Enron Gas & Petrochemicals Trading Limited (England) (100.00)
Enron Europe Power 2 Limited (England) (100.00)
Enron Europe Power 1 Limited (England) (100.00 Pref.)
Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Teesside Power Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Enron Europe Power 3 Limited (England) (100.00 Ord.)
Enron Europe Power 1 Limited (England) (100.00 Ord.)
Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Teesside Power Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Enron Europe Power 4 Limited (England) (100.00)
Enron Europe Power 3 Limited (England) (100.00 Pref.)
Enron Europe Power 1 Limited (England) (100.00 Ord.)
Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Teesside Power Limited FUCO (England) (85.00 Ord.)
(100.00 Pref.)
Enron Europe (Sites) Holdings Limited (England) (100.00)
Enron KP1 Limited (England) (100.00)
Enron KP 2 Limited (England) (100.00)
Enron Power Operations Limited (England) (100.00)
Energy commerce.com Limited (England) (100.00)
Energy desk.com Limited (England) (100.00)
JAPRO Gruppen AB Sweden (100.00)
Energy software.com Limited (England) (100.00)
Enron Power Operations Teesside FUCO (England) (50.00 A Ord.)
(100.00 B Pref.)
Enron Eurasia Limited (England) (100.00)
EuropeanEnergySoftware.com (England) (100.00)
Enron SB2 (England) (100.00)
Enron SB Limited (England) (50.00 A Ord.) (100.00 C Pref.)
(50.00 F Pref.)
Sutton Bridge Power FUCO (England) (42,399,999 Ord. Shares)

Enron Shareblock Limited (England) (100.00)
SBI 3 Limited (England) (100.00)
Enron SB2 (England) (100.00)
Enron SB Limited (England) (50.00) A Ord. (100.00 C Pref.)
(50.00 F Pref.)
Sutton Bridge Power FUCO (England) (42,399,999 Ord.
Shares)
Teesside Gas Processing Limited FUCO (England) (100.00)
Teesside Gas Transportation Limited FUCO (England) (50.00 Ordinary)
Teesside Operations (Holdings) 2 Limited (England) (100.00)
Teesside Operations (Holdings) Limited (England) (100.00)
Enron Teesside Operations Limited (England) (100.00)
Teesside Power Limited FUCO (England) (B Special Share)
Trenron Limited (England) (100.00)
Enron Power Operations Teesside FUCO (England) (1.00 A Ord.)
Enron Eurasia Limited (England) (100.00)
Sutton Bridge Power FUCO (England) (1.00 Ord. Share)
Wallerescote Power Operations Limited (Pending). (100.00)
Teesside Gas Transportation Limited FUCO (England) (50.00 Ordinary)
(100.00 Preference)
ENRON EXPAT SERVICES INC. (Delaware) (100.00)
Enron Overseas Services Corp.. (Cayman Islands) (100.00)
ENRON FOUNDATION (Nebraska) (100.00)
ENRON FUNDING CORP. (Delaware) (100.00)
ENRON GLOBAL FUELS LTD. (Cayman Islands) (100.00)
ENRON HRVATSKA DEVELOPMENT B.V. (The Netherlands) (100.00)
Jertovec Management & Finance B.V. (The Netherlands) (100.00)
Elektrana Jertovec d.o.o. (Croatia) (100.00)
ENRON HUNGARY POWER STATION DEVELOPMENT KFT. (Hungary) (51.00)
ENRON INDIA LLC (Delaware) (100.00)
Atlantic India Holdings Ltd. (Cayman Islands) (100.00)
Offshore Power Production C.V. FUCO (The Netherlands) (99.70)
DPC Holdings C.V. (The Netherlands) (79.9)
Enron Mauritius Company (Mauritius) (98.90)
Dabhol Power Company (India) (50.00)
Enron India Holdings Ltd. (Cayman Islands) (100.00)
Enron Mauritius Company (Mauritius) (1.00)
Dabhol Power Company (India) (50.00)
DPC Holdings C.V. (The Netherlands) (0.10)
Enron Mauritius Company (Mauritius) (98.90)
Dabhol Power Company (India) (50.00)
Enron Mauritius Company (Mauritius) (0.10)
Dabhol Power Company (India) (50.00)
Enron BPAC Ltd. (Cayman Islands) (100.00)
Enron Ennore Holdings Ltd. (Cayman Islands) (100.00)
Enron Fuels Services Holding Ltd. (Cayman Islands) (100.00)
Enron Fuels Services India Ltd. (Mauritius) (100.00)
Enron International Pipegas MHC Ltd. (Mauritius) (100.00)
Enron MHC LNG India Ltd. (Mauritius) (100.00)
Maharashtra Energy Company Private Limited (Maharashtra) (99.00)
Maharashtra Energy Company Private Limited (Maharashtra) (1.00)
TDE Mauritius Ltd. (Mauritius) (100.00)
Metropolis Gas Company Private Limited (India) (100.00)
Enron India Power Ltd. (Cayman Islands) (100.00)
Enron MHC Tamil Nadu Company (Mauritius) (100.00)
Enron International Bangladesh Ltd. (Cayman Islands) (100.00)
Enron International Bangladesh Power Holding Co. Ltd. (Cayman Islands)
(100.00)
Enron International Power Barge Ltd. (Cayman Islands) (100.00)
Enron International CMI Ltd (Cayman Islands) (100.00)
Enron MHC India Development Ltd. (Mauritius) (100.00)
Enron India Private Ltd. (India) (100.00)
Enron International Ennore Ltd. (Cayman Islands) (100.00)
Enron International Haripur Ltd. (Cayman Islands) (100.00)
Enron International India Ltd. (Cayman Islands) (100.00)
Enron Distribution Ventures MHC Ltd (Mauritius) (100.00)

Enron India CFH Ltd. (Mauritius) (100.00)
 Enron India Regional Development Ltd. (Mauritius) (100.00)
 Enron International Coastal Development Ltd. (Mauritius) (100.00)
 Enron International Eastern India Operations Ltd. (Mauritius)
 (100.00)
 Enron International MHC Kannur Ltd. (Mauritius) (100.00)
 Enron International Southern India Operations Ltd. (Mauritius)
 (100.00)
 Enron MHC Gas Distribution Ltd. (Mauritius) (100.00)
 Enron Renovation and Modernization MHC Ltd. (Mauritius) (100.00)
 Enron Subcontinental Ventures Ltd. (Mauritius) (100.00)
 Telecom MHC India Ltd (Mauritius) (100.00)
 Broadband Solutions Private Limited (Maharashtra) (99.00)
 Enron India CFH Ltd. (Mauritius) (100.00)
 Enron India Regional Development Ltd. (Mauritius) (100.00)
 Enron International Coastal Development Ltd. (Mauritius) (100.00)
 Enron International Eastern India Operations Ltd. (Mauritius)
 (100.00)
 Enron International Southern India Operations Ltd. (Mauritius)
 (100.00)
 Enron Subcontinental Ventures Ltd. (Mauritius) (100.00)
 Enron International Mauritius Ltd. (Cayman Islands) (100.00)
 Enron International North Bengal Holding Co. Ltd. (Cayman Islands)
 (100.00)
 Enron International PAL India Ltd. (Cayman Islands) (100.00)
 Enron Reserve II B.V. (The Netherlands) (100.00)
 Offshore Power Operations C.V. FUCO (The Netherlands) (0.10)
 Enron South Asia LLC (Delaware) (100.00)
 India Electric Maintenance Ltd. (Cayman Islands) (100.00)
 Enron International C.V. (The Netherlands) (99.90)
 Travamark Two B.V. (The Netherlands) (100.00)
 Offshore Power Production C.V. (The Netherlands) (0.30)
 Enron India Holdings Ltd. (Cayman Islands) (100.00)
 Enron Mauritius Company (Mauritius) (1.00)
 Dabhol Power Company FUCO (India) (50.00)
 DPC Holdings C.V. (The Netherlands) (0.10)
 Enron Mauritius Company (Mauritius) (0.10)
 Dabhol Power Company (India) (50.00)
 Enron Power II C.V. (The Netherlands) (99.00)
 Enron Power Colombia C.V. (The Netherlands) (99.00)
 EI Thailand NSM Investments Ltd. (Cayman Islands) (100.00)
 EI Venezuela Holdings Ltd. (Cayman Islands) (100.00)
 EI Venezuela Development Ltd. (Cayman Islands) (99.00)
 Hanover/Enron Venezuela Ltd. (Cayman Islands) (40.00)
 EI Venezuela Investments Ltd. (Cayman Islands) (100.00)
 EI Venezuela Development Ltd. (Cayman Islands) (1.00)
 Hanover/Enron Venezuela Ltd. (Cayman Islands) (40.00)
 Enron Accro B.V. (The Netherlands) (100.00)
 Enron Agua Colombia Holdings Ltd. (Cayman Islands) (100.00)
 Enron Agua Colombia Investments Ltd. (Cayman Islands) (100.00)
 Enron Agua Colombia Ltd. (Cayman Islands) (99.00)
 Enron Agua Panama Holdings Ltd. (Cayman Islands) (100.00)
 Enron Agua Panama Investments Ltd. (Cayman Islands) (100.00)
 Enron Agua Philippines Holdings Ltd. (Cayman Islands) (100.00)
 Azurix Philippines Investments Ltd. (Cayman Islands) (100.00)
 Azurix Philippines Ltd. (Cayman Islands) (99.00)
 Enron Argentina Development Ltd. (Cayman Islands) (100.00)
 CORDEX Americas 1997, L.L.C. (Delaware) (50.00)
 Enron Brazil Gas Supply Ltd. (Cayman Islands) (100.00)
 Enron Brazil Pipeline Ltd. (Cayman Islands) (100.00)
 EGE - Empresa de Geracao de Energia Ltd. (Pending). (99.00)
 Enron Brazil Power Investments I Ltd. (Cayman Islands) (100.00)
 EGE - Empresa de Geracao de Energia Ltd. (Pending). (1.00)
 Enron Caribe Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe Ltd. (Cayman Islands) (100.00)
 Haina Group Holdings, Ltd. (Cayman Islands) (34.10)

Dominican Holdings, Ltd. (Cayman Islands) (14.48)
 Enron Caribe IV Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe IV Ltd. (Cayman Islands) (100.00)
 Enron Caribe VI Holdings Ltd. (Cayman Islands) (100.00)
 Enron Caribe VI Ltd. (Cayman Islands) (100.00)
 Empresa Energetica Corinto Ltd. (Cayman Islands) (50.00)
 Enron Colombia Energy B.V. (The Netherlands) (100.00)
 Enron Power Colombia C.V. (The Netherlands) (1.00)
 Enron Colombia Holdings Ltd. (Cayman Islands) (100.00)
 Enron Colombia, Inc. (Delaware) (100.00)
 Enron Colombia Transportation B.V. (The Netherlands) (100.00)
 Enron Development Spain Ltd. (Cayman Islands) (100.00)
 Enron Egypt Power I Ltd. (Cayman Islands) (100.00)
 Enron Egypt Power II Ltd. (Cayman Islands) (100.00)
 Enron Electrica de Venezuela Ltd. (Cayman Islands) (100.00)
 Enron Energy Marketing Colombia Ltd. (Cayman Islands) (100.00)
 Enron EPI, Inc. (Cayman Islands) (100.00)
 Enron EPI Inc. (Cayman Islands) (100.00)
 Enron Equity Corp. FUCO (Delaware) (14.00)
 ECT Colombia Pipeline Holdings 1 Ltd. (Cayman Islands) (100.00)
 ECT Colombia Pipeline Holdings 2 Ltd. FUCO (Cayman Islands) (100.00)
 Promigas S.A., E.S.P. FUCO (Pending). (41.23)
 Gases de la Guajira S.A., E.S.P. FUCO (Pending). (6.21)
 Gases del Caribe S.A., E.S.P. (Pending). (30.99)
 Gases de la Guajira S.A., E.S.P. FUCO (Pending). (72.37)
 Gas de Risaralda S.A. FUCO (Pending). (17.07)
 Gasnacol S.A. FUCO (Pending). (14.00)
 Suritas S.A., E.S.P. FUCO (Pending). (80.07)
 Gasnacol S.A. FUCO (Pending). (14.00)
 Tolgas S.A. FUCO (Pending). (18.69)
 Enron Colombia Marketing Holdings Ltd. (Cayman Islands) (100.00)
 Gas Trade Servicios Investments 1 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 2 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 3 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 4 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Investments 5 Ltda. (Cayman Islands) (49.00)
 Gas Trade Servicios Ltda. (Cayman Islands) (49.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (1.90)
 Enron Dominicana Holding Limited (Cayman Islands) (100.00)
 Enron Dominicana Holding Limited Partnership (Cayman Islands) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Sercoven Ltd. (Cayman Islands) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (78.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO

(Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership (Turks & Caicos Isles)
 (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Europe Operations (Advisor) Limited (England) (100.00)
 Enron Europe Operations (Supervisor) Limited (England) (100.00)
 Enron Ghana Holdings Ltd. (Cayman Islands) (100.00)
 Enron Ghana Investments Ltd. (Cayman Islands) (100.00)
 Enron Ghana Ltd. (Cayman Islands) (99.00)
 Enron India Power Ltd. (Cayman Islands) (100.00)
 Enron MHC Tamil Nadu Company (Mauritius) (100.00)
 Enron Global Pakistan Ltd. (Cayman Islands) (100.00)
 Enron Global Mauritius Company, L.L.C. (Mauritius) (100.00)
 Enron Guatemala Holdings Ltd. (Cayman Islands) (100.00)
 PQP Limited (Cayman Islands) (100.00)
 Enron Guatemala Renewables Ltd. (Cayman Islands) (100.00)
 Puerto Quetzal Power LLC (Delaware) (80.00)
 Enron Industrial de Venezuela Ltd. (Cayman Islands) (100.00)
 ACCROVEN SRL (Barbados) (49.25)
 Enron International Brazil 1997 Ltd. (Cayman Islands) (100.00)
 Ementhal Participacoes e Empreendimentos Ltda. (Brazil) (84.00)
 Riogas S.A. FUCO (Brazil) (16.30 Common) (29.335 Preferred)
 Ementhal Participacoes e Empreendimentos Ltda. (Brazil) (51.00)
 Riogas S.A. FUCO (Brazil) (16.30 Common) (29.335 Preferred)
 GEC Participacoes Ltda. (Brazil) (1.00)
 Companhia Estadual de Gas do Rio de Janeiro FUCO (Brazil) (25.38)
 Global Petroleum & Gas Industry Limited (Jersey) (100.00)
 Gas Participacoes S.A. (Brazil) (100.00)
 Dutopar Participacoes Ltda (Brazil) (99.00)
 Gas de Alagoas S.A. FUCO (Brazil) (41.50)
 Enron International Brazil Gas Holdings Ltd. (Cayman Islands) (100.00)
 GEC Participacoes Ltda. (Brazil) (99.00)
 Companhia Estadual de Gas do Rio de Janeiro FUCO (Brazil) (25.38)
 Enron International Brazil Investments Ltd. (Cayman Islands) (100.00)
 Global Petroleum & Gas Industry Limited (Jersey) (100.00)
 Gas Participacoes S.A. (Brazil) (100.00)
 Companhia de Gas de Bahia S.A. FUCO (Brazil) (41.50)
 Companhia de Gas de Santa Catarina S.A. FUCO (Brazil) (41.00)
 Companhia Paraibana de Gas S.A. FUCO (Brazil) (41.50)
 Companhia Paranaense de Gas S.A. FUCO (Brazil) (24.50)
 Companhia Pernambucana de Gas S.A. FUCO (Brazil) (41.50)
 Empresa Sergipana de Gas S.A. FUCO (Brazil) (41.50)
 Enron International Brazil Power Holdings V Ltd. (Pending). (100.00)
 Terraco Participacoes Ltda. (Brazil) (99.00)
 Elektro - Electricidade e Servios S.A FUCO (Brazil) (89.99)
 Terraco Investments Ltd. (Cayman Islands) (100.00)
 Enron International Brazil Power Investments V Ltd. (Pending) (100.00)
 Terraco Participacoes Ltda. (Brazil) (1.00)
 Elektro - Electricidade e Servios S/A FUCO (Brazil) (89.99)
 Enron International B.V. (The Netherlands) (100.00)
 Enron International Capital Management Ltd. (Cayman Islands) (100.00)
 China Pipeline Holdings Ltd. (Cayman Islands) (64.85)
 Enron MHC India Development Ltd. (Mauritius) (100.00)
 Enron India Private Ltd. (India) (100.00)
 Enron International C.V. (The Netherlands) (0.10)
 Enron International Central America Holdings Ltd. (Cayman Islands) (100.00)
 Enron International Central America ltd. (Cayman Islands) (100.00)
 Enron International Energy (Asia) Pte. Ltd. (Singapore) (100.00)
 Enron International Gujarat Ltd. (Cayman Islands) (100.00)

Enron MHC Gujarat Company (Mauritius) (100.00)
 Enron International Holdings Corp. (Delaware) (27.00)
 Electricidad Enron de Guatemala, Sociedad Anonima FUCO (Guatemala)
 (100.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Puerto Quetzal Power LLC (Delaware) (20.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (21.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron International Haripur Ltd. (Cayman Islands) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron International India Ltd. (Cayman Islands) (100.00)
 Enron Distribution Ventures MHC Ltd. (Mauritius) (100.00)
 Enron International MHC Kannur Ltd. (Mauritius) (100.00)
 Enron Renovation and Modernization MHC Ltd. (Mauritius) (100.00)
 Enron International Kelatin Development (Cayman Islands) (100.00)
 Enron International Korea Resources LLC (Delaware) (100.00)
 Enron International Mauritius Ltd. (Cayman Islands) (100.00)
 Enron International Morocco Ltd. (Cayman Islands) (100.00)
 Enron International (Philippines) Ltd. (Cayman Islands) (100.00)
 Enron International Sichuan Hydroelectric Ltd. (Cayman Islands) (100.00)
 Enron Vietnam Power II Ltd. (Cayman Islands) (100.00)
 Enron International Philippines Pipelines Ltd. (Cayman Islands) (100.00)
 Enron LNG Atlantic Holdings Ltd. (Cayman Islands) (100.00)
 Enron LNG Atlantic Investments Ltd. (Cayman Islands) (100.00)
 LNG Power III, LLC (Cayman Islands) (25.00 Value) (100.00 Voting)
 Buenergia Gas & Power Ltd. (Cayman Islands) (100.00)
 EcoElectrica Holdings, Ltd. (Cayman Islands) (50.00)
 EcoElectrica L.P. FUCO (Bermuda) (99.00)
 EcoElectrica, Ltd. (Cayman Islands) (100.00)
 EcoElectrica L.P. FUCO (Bermuda) (1.00)
 LNG Power IV Ltd. (Cayman Islands) (100.00)

LNG Power II, LLC (Cayman Islands) (100.00)
 LNG Power I, LLC (Cayman Islands) (00.01 Value) (100.00 Voting)
 LNG Power III, LLC (Cayman Islands) (75.00 Value)
 Buenergia Gas & Power Ltd. (Cayman Islands) (100.00)
 EcoElectrica Holdings, Ltd. (Cayman Islands) (50.00)
 EcoElectrica L.P. FUCO (Bermuda) (99.00)
 EcoElectrica, Ltd. (Cayman Islands) (100.00)
 EcoElectrica L.P. FUCO (Bermuda) (1.00)
 Enron Mariana Holdings Corp. (Delaware) (100.00)
 Enron Mariana Power L.L.C. (Delaware) (100.00)
 Enron Mauritius Pakistan Company, L.L.C. (Mauritius) (100.00)
 Enron Mendoza Water Investments Ltd. (Cayman Islands) (100.00)
 Enron Middle East Development LLC (Delaware) (1.00)
 Enron Oman Gas Ltd. (Cayman Islands) (100.00)
 Enron Palestine Inc. (Cayman Islands) (100.00)
 Enron Gaza Power Private Limited Company (Palestine) (100.00)
 Enron Gaza International Ltd. (Cayman Islands) (100.00)
 Gaza Power Generating Private Limited Company (Palestine)
 (50.00)
 Palestine Power Private Limited Company (Palestine)
 (50.00)
 PEC International Inc. (Cayman Islands) (100.00)
 Enron Polska B.V. (The Netherlands) (100.00)
 Enron Power Services B.V. (The Netherlands) (100.00)
 Enron Reserve 4 B.V. (The Netherlands) (100.00)
 Enpak Power (Private) Company (Pakistan) (100.00)
 Enron Reserve 6 B.V. (The Netherlands) (100.00)
 Enron Development International C.V. (The Netherlands) (0.10)
 Enron Reserve I B.V (The Netherlands) (100.00)
 Smith/Enron Cogeneracion Internacional, S.A. (Dominican Republic) (50.00)
 Smith/Enron Cogeneration Limited Partnership (Turks & Caicos Isles)
 (1.00)
 Smith/Enron O&M Limited Partnership (Turks & Caicos Isles) (1.00)
 ENRON INVESTMENT PARTNERS CO. (Delaware) (100.00)
 HEOF Management Corp. (Delaware) (100.00)
 ENRON MIDDLE EAST LLC (Delaware) (100.00)
 Enron Bahrain Gas Operations LLC (Delaware) (100.00)
 Enron Jebel Ali Power Ltd. (Cayman Islands) (100.00)
 Enron Middle East Ltd. (Cayman Islands) (100.00)
 Enron Saudi Energy Ltd. (Cayman Islands) (100.00)
 Enron Shuweihat Power Company (Cayman Islands) (100.00)
 ENRON NORTH AMERICA CORP. (Delaware) (100.00)
 Blue Ox Power Marketing, L.L.C. (Delaware) (100.00)
 Bob West Treasurer L.L.C. (Delaware) (100.00)
 Brownsville Power I, L.L.C. EWG (Delaware) (100.00)
 Caledonia Power I, L.L.C. EWG (Delaware) (100.00)
 Calvert City Power I, L.L.C. (Delaware) (100.00)
 Costilla Energy, Inc. (Delaware) (100.00)
 Cusiana-Cupiagua Oil Securitization 1996 Ltd. (Cayman Islands) (100.00)
 Cypress Acadian Exploration Corp. (Delaware) (100.00)
 Des Plaines Green Land Development L.L.C. (Delaware) (100.00)
 Doyle I, L.L.C. (Delaware) (100.00)
 East Fork Land Development Company, L.L.C. (Delaware) (100.00)
 ECT Brazil Marketing Ltd. (Cayman Islands) (100.00)
 ECT Cayman Reserve 5 Ltd. (Cayman Islands) (100.00)
 Enron Distribuidora de Petroleo e Derivados Ltda. (Brazil) (99.00)
 ECT Cayman Reserve 6 Ltd (Cayman Islands) (100.00)
 ECT Cayman Reserve 8 Ltd. (Cayman Islands) (100.00)
 ECT Cayman Reserve 9 Ltd. (Cayman Islands) (100.00)
 ECT Coal Company No. 1, L.L.C. (Delaware) (100.00)
 ECT Coal Company No. 2, L.L.C. (Delaware) (100.00)
 ECT Eocene Enterprises, Inc. (Delaware) (100.00)
 ECT Eocene Enterprises II, Inc. (Delaware) (100.00)
 ECT Eocene Enterprises III, Inc. (Delaware) (100.00)
 ECT Europe Finance, Inc. (Delaware) (100.00)
 ECT Funding L.L.C. (Delaware) (100.00)

ECT Development and Funding (England) (50.00)
 European Commercial Finance S.a.r.l. (Luxembourg) (100.00)
 ECT International L.L.C. (Delaware) (100.00)
 ECT Development and Funding (England) (50.00)
 European Commercial Finance S.a.r.l. (Luxembourg) (100.00)
 ECT Investing Corp. (Delaware) (100.00)
 ECT Investments Holding Corp. (Delaware) (100.00)
 ECT Investments Inc. (Delaware) (100.00)
 ECT Merchant Investments Corp. (Delaware) (100.00)
 Black Bay, L.L.C. (Delaware) (35.00)
 Bonne Terre Exploration Company, L.L.C. (Delaware) (15.63)
 ECT Overseas Holding Corp. (Delaware) (100.00)
 Enron Capital & Trade Resources Korea Corp. (Delaware) (100.00)
 ECT-PR-B, L.L.C. (Delaware) (100.00)
 ECT-PR-C, L.L.C. (Delaware) (100.00)
 ECT-PR-Z, L.L.C. (Delaware) (100.00)
 ECT Powder River, L.L.C. (Delaware) (100.00)
 Fort Union Gas Gathering LLC (Delaware) (33.33)
 ECT Puerto Rico Ltd. (Cayman Islands) (100.00)
 ECT Securities Corp. (Delaware) (100.00)
 ECT Securities GP Corp. (Delaware) (100.00)
 ECT Securities Limited Partnership (Delaware) (00.01)
 ECT Securities LP Corp. (Delaware) (100.00)
 ECT Securities Limited Partnership (Delaware) (99.99)
 ECT Sierra Water Conversation, Inc. (Delaware) (100.00)
 ECT Strategic Value Corp. (Delaware) (100.00)
 ECT Thailand Investments, Inc. (Delaware) (100.00)
 ECT-WR-B, L.L.C. (Delaware) (100.00)
 ECT-WR-C, L.L.C. (Delaware) (100.00)
 ECT-WR-Z, L.L.C. (Delaware) (100.00)
 ECT Wind River, L.L.C. (Delaware) (100.00)
 Lost Creek Gathering Company, L.L.C. (Delaware) (35.00)
 EGC GP Company, L.L.C. (Delaware) (1.00)
 EGC 2000 Holding Company, L.P. (Delaware) (100.00)
 Energy Financing Company, L.L.C. (Delaware) (100.00)
 EGS Hydrocarbons Corp. (Texas) (100.00)
 EGS New Ventures Corp. (Delaware) (100.00)
 LGMI, Inc. (Delaware) (100.00)
 Louisiana Gas Pipeline Company L. P. (Oklahoma) (99.00)
 LRCI, Inc. (Delaware) (100.00)
 Louisiana Resources Pipeline Company L.P. (Oklahoma) (99.00)
 Louisiana Gas Marketing Company (Delaware) (100.00)
 Louisiana Gas Pipeline Company L.P. (Oklahoma) (1.00)
 Louisiana Resources Company (Delaware) (100.00)
 Louisiana Resources Pipeline Company L.P. (Oklahoma) (1.00)
 ENACT I, L.L.C. (Delaware) (100.00)
 ENACT II, L.L.C. (Delaware) (100.00)
 Enron Administrative Services Corp. (Delaware) (100.00)
 Cactus Hydrocarbon III Limited Partnership (Delaware) (1.00)
 Enron Cantarell Holdings B.V. (The Netherlands) (100.00)
 Enron Capital Corp. (formerly JILP-G.P., Inc.) (Delaware) (100.00)
 Enron Capital Management Limited Partnership (Delaware) (1.00)
 Enron Capital Management L.L.C. (Delaware) (100.00)
 Joint Energy Development Investments Limited Partnership (Delaware)
 (50.00)
 Ameritex Venture II, Ltd. (Texas) (99.00)
 Cerrito Gathering Company, Ltd. (N/A) (38.71)
 CGAS, Inc. (Ohio) (97.00)
 CGAS Exploration, Inc. (Ohio) (100.00)
 Eagle Mountain Energy Corporation (Ohio) (100.00)
 CGAS Investment Corp. (Ohio) (100.00)
 CGAS Services Corporation (Ohio) (100.00)
 CGAS Securities, Inc. (Ohio) (100.00)
 Clinton Nominee Corporation (Ohio) (100.00)
 Haulco, Inc. (Ohio) (100.00)
 LDC Securities, Inc. (Ohio) (100.00)

Metertech, Inc. (Ohio) (100.00)
 Ohio Gasportation, Inc. (Ohio) (100.00)
 Eugene Offshore Holdings, LLC (Delaware) (100.00)
 Gantry Corp. (Delaware) (100.00)
 Hughes-Rawls, L.L.C. (Delaware) (50.00)
 JEDI Hydrocarbon Investments I Limited Partnership
 (Delaware) (1.00)
 JEDI Hydrocarbon Investments II Limited Partnership
 (FUEL, CNEN) (Delaware) (1.00)
 JEDI-Lewis, L.L.C. (Delaware) (100.00)
 JEDI-Lewis Holdings, L.P. (Delaware) (.01)
 JEDI-Lewis Holdings, L.P. (Delaware) (99.99)
 JEDI SPV, L.L.C. (Delaware) (100.00)
 Mariner Holdings, Inc. (Delaware) (100.00)
 Mariner Energy LLC (Delaware) (100.00)
 Mariner Energy, Inc. (Delaware) (100.00)
 Meridian Ventures I, L.P. (N/A) (97.00)
 Michigan Gas Partners, L. P. (N/A) (15.00)
 Napoleonville Storage Company Limited Partnership (Texas) (1.00)
 Pinto Holdings B.V. (The Netherlands) (100.00)
 Rocksprings Energy I, L. P. (Texas) (99.00)
 Segundo Navarro Drilling, Ltd. (Texas) (99.00)
 South Dauphin Partners II, L.P. (Pending). (85.00)
 Sweetwater Gas Partners, L. P. (Texas) (95.00)
 Enron Capital II Corp. (Delaware) (100.00)
 Enron Capital Management II Limited Partnership (Delaware) (1.00)
 Joint Energy Development Investments II Limited Partnership
 (Delaware) (1.00)
 East Coast Power Holding Company L.L.C. (Delaware) (100.00)
 East Coast Power L.L.C. (Delaware) (100.00)
 JEDI Bayonne GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies NJ Venture (Delaware) (91.75)
 JEDI Camden GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Camden GP Limited Partnership
 (Delaware) (82.00)
 Camden Cogen, L.P. EWG (Delaware) *
 JEDI Camden LP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Camden GP Limited Partnership
 (Delaware) (18.00)
 Camden Cogen, L.P. (Delaware) *
 JEDI Linden NB, L.L.C. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware) (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden, Inc. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware)
 (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden LP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Linden, Ltd (Delaware) (18.00)
 Cogen Technologies Linden Venture (Delaware) *
 Eugene Offshore Holdings, LLC (Delaware) (100.00)
 Enron Capital III Corp. (Delaware) (100.00)
 Enron Capital Management II Limited Partnership (Delaware) (99.00)
 Joint Energy Development Investments II Limited Partnership
 (Delaware) (1.00)
 East Coast Power Holding Company L.L.C. (Delaware) (100.00)
 East Coast Power L.L.C. (Delaware) (51.00)
 JEDI Bayonne GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies NJ Venture (Delaware) (91.75)
 JEDI Camden GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Camden GP Limited
 Partnership (Delaware) (82.00)
 Camden Cogen, L.P. (Delaware) *
 JEDI Camden LP, L.L.C. (Delaware) (100.00)

Cogen Technologies Camden GP Limited
 Partnership (Delaware) (18.00)
 Camden Cogen, L.P. (Delaware) *
 JEDI Linden NB, L.L.C. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware) (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden, Inc. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware)
 (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden LP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Linden, Ltd (Delaware) (18.00)
 Cogen Technologies Linden Venture (Delaware) *
 Eugene Offshore Holdings, LLC (Delaware) (100.00)
 Enron Capital IV Corp. (Delaware) (100.00)
 Enron Capital Management III Limited Partnership (Delaware) (99.00)
 Joint Energy Development Investments II Limited
 Partnership (Delaware) (49.00)
 East Coast Power Holding Company L.L.C. (Delaware) (100.00)
 East Coast Power L.L.C. (Delaware) (51.00)
 JEDI Bayonne GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies NJ Venture (Delaware) (91.75)
 JEDI Camden GP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Camden GP Limited Partnership
 (Delaware) (82.00)
 Camden Cogen, L.P. (Delaware) *
 JEDI Camden LP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Camden GP Limited Partnership
 (Delaware) (18.00)
 Camden Cogen, L.P. (Delaware) *
 JEDI Linden NB, L.L.C. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware) (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden, Inc. (Delaware) (100.00)
 JEDI Linden GP, L.L.C. (Delaware) (99.00)
 Cogen Technologies Linden, Ltd (Delaware)
 (82.00)
 Cogen Technologies Linden Venture (Delaware) *
 JEDI Linden LP, L.L.C. (Delaware) (100.00)
 Cogen Technologies Linden, Ltd (Delaware) (18.00)
 Cogen Technologies Linden Venture (Delaware) *
 Enron Capital & Trade Global Resources Corp. (Panama) (100.00)
 Enron Capital & Trade Resources Canada Corp. (Alberta) (100.00)
 Enron Capital & Trade Resources - Europe B.V. (The Netherlands) (100.00)
 Closed Joint Stock Company EnronErgo (Russian Federation) (99.00)
 Enron Capital and Trade Resources - Espana, S.L. (Spain) (100.00)
 Enron Capital & Trade Resources - Greece B.V. (The Netherlands) (100.00)
 Enron Capital & Trade Resources - Romania B.V. (The Netherlands) (100.00)
 Petrom-Enron Gas S.R.L. (Romania) (50.00)
 Enron Espana, S.L. (Spain) (100.00)
 Enron Europe Finance B.V. (The Netherlands) (100.00)
 Enron LPG Italy S.R.L. (Italy) (100.00)
 Enron Miskolc Power Development Kft. (Hungary) (1.66)
 Enron Netherlands B.V. (The Netherlands) (100.00)
 Enron Capital & Trade Resources International Corp. (Delaware) (100.00)
 Enron Capital & Trade Europe Finance LLC (Delaware) (100.00)
 Enron Capital & Trade Resources International Corp. - Singapore Branch
 (N/A) (100.00)
 Enron CASH Company No. 6, L.L.C. (Delaware) (100.00)
 Enron Europe Finance & Trading Limited (England) (100.00)
 Enron Finland Energy Oy (Finland) (100.00)
 Enron Nordic Energy - Swedish branch of ECTRIC (N/A) (100.00)
 Enron Nordic Energy - Norwegian branch of ECTRIC (N/A) (100.00)

Enron Capital & Trade Resources Mexico Holdings B.V. (The Netherlands)
 (100.00)
 Enron Energia Industrial de Mexico B.V. (The Netherlands) (100.00)
 Enron Industrial Energy of Mexico Holdings I, L.L.C. (Delaware)
 (100.00)
 Enron Energia Industrial de Mexico, S. de R.L. de C.V. (Mexico)
 (.03)
 Enron Industrial Energy of Mexico Holdings II, L.L.C. (Delaware)
 (100.00)
 Enron Energia Industrial de Mexico, S. de R.L. de C.V. (Mexico)
 (99.97)
 Enron Mexico I B.V. (The Netherlands) (100.00)
 Enron Mexico II B.V. (The Netherlands) (100.00)
 Enron Mexico III B.V. (The Netherlands) (100.00)
 Enron Mexico IV B.V. (The Netherlands) (100.00)
 Enron Mexico V B.V. (The Netherlands) (100.00)
 Enron Mexico Holdings XV, L.L.C. (Delaware) (100.00)
 Enron Mexico V I B.V. (The Netherlands) (100.00)
 Enron Mexico VII B.V. (The Netherlands) (100.00)
 Enron Mexico VIII B.V. (The Netherlands) (100.00)
 Enron Mexico IX B.V. (The Netherlands) (100.00)
 Enron Mexico X B.V. (The Netherlands) (100.00)
 Enron Mexico X V B.V. (The Netherlands) (100.00)
 Enron Mexico X V I B.V. (The Netherlands) (100.00)
 Enron Mexico Holdings XVI, L.L.C. (Delaware) (100.00)
 Enron Mexico X V I I B.V. (The Netherlands) (100.00)
 Enron Mexico Holdings XVII, L.L.C. (Delaware) (100.00)
 Enron Mexico X V I II B.V. (The Netherlands) (100.00)
 Enron Mexico X IV B.V. (The Netherlands) (100.00)
 Enron Mexico Holdings XIV, L.L.C. (Delaware) (100.00)
 Enron Mexico Holdings XVIII, L.L.C. (Delaware) (100.00)
 Enron CASH Company No. 1 (Delaware) (100.00)
 Enron CASH Company No. 2 (Delaware) (100.00)
 Enron CASH Company No. 3 (Delaware) (100.00)
 Enron CASH Company No. 5 (Delaware) (100.00)
 Enron Compression Services Company (Delaware) (100.00)
 ECS Compression Company, L.L.C. (Delaware) (19.00)
 Enron CPO Holdings, Inc. (Delaware) (100.00)
 Enron International CPO B.V. (The Netherlands) (100.00)
 Enron International CPO, L.P. (Delaware) (100.00)
 Enron Cushing Oil Marketing, Inc. (Delaware) (100.00)
 Millennium PowerGen Copmany LLC (Delaware) (100.00)
 Enron Field Services Corp. (Delaware) (100.00)
 Enron Finance Corp. (Delaware) (100.00)
 Enron Hydrocarbons Marketing Corp. (Delaware) (100.00)
 Enron Reserve Acquisition Corp. (Delaware) (100.00)
 Enron GasBank, Inc. (Delaware) (100.00)
 Enron Generation Company, L.L.C. (Texas) (100.00)
 Enron Global de Guatemala, S.A. (Guatemala) (100.00)
 Enron Mexico Corp. (Delaware) (100.00)
 Enron Mexico Holdings I Ltd. (Cayman Islands) (100.00)
 Enron Mexico Holdings I L.L.C. (Cayman Islands)
 Enron de Mexico, S. de R.L. de C.V. (Mexico) (99.97)
 Enron Servicios de Mexico S. de R.L. de C.V. (Mexico)
 (99.97)
 Enron Mexico Holdings II L.L.C. (Cayman Islands) (100.00)
 Enron Servicios de Mexico S. de R.L. de C.V. (Mexico) (.03)
 Enron de Mexico, S. de R.L. de C.V. (Mexico) (.03)
 Enron Mexico Holdings 2 Ltd. (Cayman Islands) (100.00)
 Enron Mexico Holdings III L.L.C. (Delaware) (100.00)
 Enron Mexico Holdings IV L.L.C. (Delaware) (100.00)
 Enron Mexico Holdings 3 Ltd. (Cayman Islands) (100.00)
 Enron Mexico Holdings 4 Ltd. (Cayman Islands) (100.00)
 Enron Mexico Holdings 5 Ltd. (Cayman Islands) (100.00)
 Enron Mexico Holdings 6 Ltd. (Cayman Islands) (100.00)
 Enron Midstream Services, L.L.C. (Delaware) (100.00)

Enron Minority Development Corp. (Delaware) (100.00)
Cook Inlet Energy Supply, Limited Partnership (Pending) (30.00)
Inupiat Energy Marketing, L.L.C. (Delaware) (32.67)
Enron Natural Gas Marketing Corp. (Delaware) (100.00)
Athens Green Land Development, L.L.C. (Delaware) (100.00)
Enron Power Investments, Inc. (Texas) (100.00)
Enron Power Investments Limited (England) (100.00)
Enron Power Marketing, Inc. (Delaware) (100.00)
Enron Sacramento Basin, L.L.C. (Delaware) (100.00)
Enron Services Company of Louisiana, L.L.C. (Delaware) (100.00)
Enron TDF Ltd. (Cayman Islands) (100.00)
Enron Wholesale Generating Company, L.L.C. (Delaware) (100.00)
FirstWorld Communications, Inc. (Delaware) (100.00)
FirstWorld Anaheim (Delaware) (100.00)
FirstWorld Engineering (Delaware) (100.00)
FirstWorld Orange Coast (Delaware) (100.00)
FirstWorld SGV (Delaware) (100.00)
FirstWorld SoCal (Delaware) (100.00)
Fulton Power I, L.L.C. (Delaware) (100.00)
Gleason Power I L.L.C. (Delaware) (100.00)
Gotham Energy, L.L.C. (Delaware) (100.00)
HGK Enterprises GP, Inc. (Delaware) (100.00)
Destec Properties Limited Partnership (Nevada) (1.00)
HGK Enterprises LP, Inc. (Delaware) (100.00)
Destec Properties Limited Partnership (Nevada) (99.00)
Jertovec Management and Finance Limited (Cayman Islands) (100.00)
Elektrana Jertovec 2 d.o.o. (Croatia) (100.00)
Jertovec Management & Finance B.V. (The Netherlands) (100.00)
Elektrana Jertovec d.o.o. (Croatia) (100.00)
JILP-L.P., Inc. (Delaware) (100.00)
Juniper Energy L.P. (Texas) (14.38)
Kendall New Century Development, LLC (Delaware) (100.00)
Kenobe, Inc. (Delaware) (100.00)
EnSerCo, L.L.C. (Delaware) (1.00)
Black Bay, LLC (Delaware) (15.00)
EB/GB, L.L.C. (Delaware) (90.00)
EnSerco, Inc. (Delaware) (100.00)
EnSerCo Offshore, L.L.C. (Delaware) (100.00)
Lake Acquisition Company, L.L.C. (Delaware) (100.00)
Louisiana Power Marketing Company, L.L.C. (Delaware) (100.00)
Long Beach District Energy Facility, LLC (Delaware) (100.00)
Masada OxyNol LLC (Delaware) (15.00)
MEGS, L.L.C. (Delaware) (10.00)
New Albany Power I, L.L.C. EWG (Delaware) (100.00)
Nina I, L.L.C. (Delaware) (100.00)
OBI-1 Holdings, L.L.C. (Delaware) (100.00)
Pastoria Energy Facility L.L.C. (Delaware) (100.00)
Pinta, L.L.C. (Delaware) (100.00)
Pittsburg District Energy Facility, L.L.C. (Delaware) (100.00)
Risk Management & Trading Corp. (Delaware) (100.00)
FirstWorld Communications, Inc. (California) (49.33)
FirstWorld Anaheim (California) (100.00)
FirstWorld Engineering (California) (100.00)
FirstWorld SoCal (California) (100.00)
FirstWorld Orange Coast (California) (100.00)
SpectraNet S.G.V. (California) (100.00)
Oilfield Business Investments-1, L.L.C. (Delaware) (100.00)
EnSerCo, L.L.C. (Delaware) (49.00)
Santa Maria LLC (Delaware) (100.00)
The Terradyne group LLC (Delaware) (2.00)
TLS Investors, L.L.C. (Delaware) (100.00)
Southwest Power, L.L.C. (Delaware) (25.00)
Desert Arc I, L.L.C. (Delaware) (100.00)
Las Vegas Cogeneration Limited Partnership (85.00)
Desert Arc II, L.L.C. (Delaware) (100.00)
Las Vegas Cogeneration Limited Partnership (15.00)

West Fork Land Development Company, L.L.C. (Delaware) (100.00)
 WRA Services Corp. (Delaware) (100.00)
 ENRON INTERNATIONAL ASSET MANAGEMENT CORP. (Delaware) (100.00)
 Enron Hydro Modernization Company (Delaware) (100.00)
 Enron International Americas Corp. (Delaware) (100.00)
 Enron Cuiaba Pipeline Services L.L.C. (Delaware) (100.00)
 Enron Cuiaba Services L.L.C. (Delaware) (100.00)
 Enron Electricidad de Nicaragua, S.A. (Nicaragua) (99.8)
 EI Puerto Rico Operations Inc. (Delaware) (100.00)
 Enron Panama Management Services L.L.C. (Delaware) (100.00)
 Enron International North America Asset Management Corp. (Delaware) (100.00)
 Enron Transredes Services L.L.C. (Delaware) (100.00)
 Enron International Asia Corp. (Delaware) (100.00)
 EI Operations Holdings, L.L.C. (Delaware) (100.00)
 EI Operations MHC Ltd. (Mauritius) (100.00)
 Enron Indonesia Operations L.L.C. (Delaware) (100.00)
 EI Guam Operations, L.L.C. (Delaware) (100.00)
 Enron International Europe Corp. (Delaware) (100.00)
 Enron JVM Sarlux Corp. (Delaware) (100.00)
 ENRON INTERNATIONAL CAPITAL INC. (Delaware) (100.00)
 Enron International Equity Holding L.L.C. (Delaware) (50.00)
 ENRON INTERNATIONAL EQUITY INC. (Delaware) (100.00)
 Enron Global Equity Ltd. (Cayman Islands) (100.00)
 Enron Pipeline Company-Argentina S.A. (Argentina) (47.98)
 Enron International Equity Holding L.L.C. (Delaware) (50.00)
 ENRON INTERNATIONAL HOLDINGS CORP. (Delaware) (32.69)
 Electricidad Enron de Guatemala, Sociedad Anonima FUCO (Guatemala) (100.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Pipeline Company-Argentina S.A. (Argentina) (52.01)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (1.50)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos
 Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles)
 (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos
 Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles)
 (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (21.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)

Tombstone Assets, L.L.C. (Delaware) (100.00)
 ENRON INTERNATIONAL INC. (Delaware) (45.00)
 Enron Global Capital Co. (Delaware) (100.00)
 Enron International Development Services, Inc. (Delaware) (100.00)
 Enron Java Power Corp. (Delaware) (100.00)
 P.T. East Java Power Corp. (in formation) (Indonesia) (50.10)
 Enron Mauritius Services Company Ltd. (Mauritius) (100.00)
 Enron Pasuruan Power Corp. (Delaware) (100.00)
 Enron Pipeline Company - Colombia G. P. Inc. (Texas) (100.00)
 Enron Pipeline Company - Colombia Ltd. (Texas) (1.00)
 Enron Venezuela Ltd. (Cayman Islands) (100.00)
 EnerTek Partners, L.P. (N/A) (16.50)
 India Power Ventures Inc. (Delaware) (100.00)
 Verdenergia Enron de Puerto Rico, Inc. (Delaware) (100.00)
 ENRON INTERNATIONAL JOHANNESBURG LTD. (Cayman Islands) (100.00)
 ENRON INTERNATIONAL NORTH SEA LTD. (Cayman Islands) (100.00)
 ENRON INTERNATIONAL SERVICES INC. (Delaware) (100.00)
 ENRON INVESTMENT PARTNERS CO. (Delaware) (100.00)
 Community Call Center L.L.C. (Delaware) (1.0)
 HEOF Management Corp. (Delaware) (100.00)
 Houston Economic Opportunity Fund, L.P. (Delaware) (99.00)
 HEOF Management II Corp. (Delaware) (100.00)
 Houston Economic Opportunity Fund II, L.P. (Delaware) (1.00)
 ENRON LATVIA HOLDINGS (Cayman Islands) (100.00)
 Enron Latvia Investments Ltd. (Cayman Islands) (100.00)
 Enron Latvia Development Ltd. (Cayman Islands) (99.00)
 Enron Latvia Limited (Latvia) (100.00)
 Baltic Energy Corporation (Latvia) (50.00)
 ENRON LAWHILL CAPITAL CORP. (Delaware) (100.00)
 ENRON LIQUID FUELS, INC. (Delaware) (100.00)
 Clyde River Inc. (Liberia) (99.00)
 ENRON LIQUIDS HOLDING CORP. (Delaware) (100.00)
 Enron Gas Liquids, Inc. (Delaware) (100.00)
 Enron Capital & Trade Resources Singapore Pte. Ltd. (Singapore) (100.00)
 Enron Gas Liquids Europe S.A.R.L. (France) (100.00)
 Enron Gas Liquids Holding B.V. (The Netherlands) (100.00)
 Enron Gas Liquids B. V. (The Netherlands) (100.00)
 Enron Liquid Hydrocarbons Latin America Inc. (Delaware) (100.00)
 Halton International Limited (Liberia) (100.00)
 Enron Gas Liquids Far East, Ltd. (Liberia) (100.00)
 Mundogas (Storage) Inc. (Liberia) (100.00)
 Mundo Services Ltd. (Liberia) (100.00)
 Mundogas Trading Ltd. (Liberia) (100.00)
 Enron Equipment Company (Delaware) (100.00)
 Enron Louisiana Transportation Company (Delaware) (100.00)
 Enron Methanol Company (Delaware) (100.00)
 Enron Products Pipeline, Inc. (Delaware) (100.00)
 EOTT Energy Corp. (Delaware) (100.00)
 EOTT Canada Ltd. (Alberta) (100.00)
 EOTT Energy Canada Limited Partnership (Delaware) (1.00)
 EOTT Energy Operating Limited Partnership (Delaware) (1.00)
 EOTT Energy Canada Limited Partnership (Delaware) (99.00)
 EOTT Energy Pipeline Limited Partnership (Delaware) (99.00)
 EOTT Energy Partners, L.P. (Delaware) (37.80)
 EOTT Energy Finance Corp. (Delaware) (100.00)
 EOTT Energy Operating Limited Partnership (Delaware) (99.00)
 EOTT Energy Pipeline Limited Partnership (Delaware) (1.00)
 ENRON MAGYAR DEVELOPMENT B.V. (The Netherlands) (100.00)
 Enron Hungary Power Station Development Kft. (Hungary) (49.00)
 ENRON MANAGEMENT, INC. (Delaware) (100.00)
 Enron Energia de Merida S.R.L. de C.V. (Mexico) (89.00)
 Gasoductos Enron de Yucatan, S.R.L. de C.V. (Mexico) (99.00)
 ENRON-MEX SERVICES LTD. (Cayman Islands) (100.00)
 ENRON MIDDLE EAST DEVELOPMENT LLC (Delaware) (1.00)
 ENRON MINERALS COMPANY (Delaware) (100.00)
 ENRON MISKOLC POWER DEVELOPMENT KFT. (Hungary) (98.14)

ENRON NETHERLANDS HOLDING B.V. (The Netherlands) (100.00)
 ENRON OIL & GAS COMPANY (Delaware) (80.00)
 Enron Oil & Gas - Callaghan, Inc. (CNEN) (Delaware) (100.00)
 Enron Oil & Gas - Carthage, Inc. (Delaware) (100.00)
 Enron Oil & Gas International, Inc. (Delaware) (100.00)
 Enron Oil & Gas Bangladesh Ltd. (Cayman Islands) (100.00)
 EOGI - Algeria, Inc. (Delaware) (100.00)
 EOGI - Australia, Inc. (Delaware) (100.00)
 Enron Exploration Australia Pty Ltd (Australia) (100.00)
 EOGI - China, Inc. (Delaware) (100.00)
 Enron Oil & Gas China Investments Ltd. (Cayman Islands) (100.00)
 EOGI - China (Sichuan), Inc. (Delaware) (100.00)
 Enron Oil & Gas China (Sichuan) Ltd. (Cayman Islands) (100.00)
 EOGI China Company (Cayman Islands) (100.00)
 Enron Oil & Gas China Ltd. (Cayman Islands) (100.00)
 EOGI - France, Inc. (Delaware) (100.00)
 Enron Exploration France S.A. (France) (100.00)
 EOGI - India, Inc. (Delaware) (100.00)
 Enron Oil & Gas India Ltd (Cayman Islands) (100.00)
 Enron O=India GDR Holding Ltd. (Cayman Islands) (100.00)
 EOGI - Kazakhstan, Inc. (Delaware) (100.00)
 Enron Oil & Gas Kazakhstan Ltd. (Cayman Islands) (100.00)
 EOGI - Kuwait, Inc. (Delaware) (100.00)
 Enron Oil & Gas Abu Dhabi Ltd. (Cayman Islands) (100.00)
 EOGI - Mozambique, Inc. (Delaware) (100.00)
 Enron Oil & Gas Mozambique Ltd. (Cayman Islands) (100.00)
 EOGI - Qatar, Inc. (Delaware) (100.00)
 EOGI - Trinidad, Inc. (Delaware) (100.00)
 EOGI Trinidad Company (Cayman Islands) (100.00)
 Enron Gas & Oil Trinidad Limited (Trinidad) (100.00)
 Enron Oil & Gas Capital Management I, Ltd. (Cayman Islands) (99.00)
 Harfin Capital and Finance Ltd. (Cayman Islands) (100.00)
 OCC Investment Company Ltd. (Cayman Islands) (100.00)
 Wilsyx International Finance B.V. (The Netherlands) (100.00)
 EOGI - Trinidad U(a) Block, Inc. (Delaware) (100.00)
 EOGI Trinidad - U(a) Block Company (Cayman Islands) (100.00)
 Enron Gas & Oil Trinidad - U(a) Block Limited (Cayman Islands) (99.00)
 EOGI - United Kingdom, Inc. (Delaware) (100.00)
 EOGI United Kingdom Company B.V. (The Netherlands) (100.00)
 Enron Oil U.K. Limited (England) (100.00)
 EOG Resources France S.A. (France) (.04)
 EOGI - Uzbekistan, Inc. (Delaware) (100.00)
 Enron Oil & Gas Uzbekistan Ltd. (Cayman Islands) (100.00)
 EOGI - Venezuela (Guarico), Inc. (Delaware) (100.00)
 EOGI - Venezuela, Inc. (Delaware) (100.00)
 EOGI Venezuela Company (Cayman Islands) (100.00)
 Enron Oil & Gas Venezuela Ltd. (Cayman Islands) (100.00)
 Administradora del Golfo de Paria Este, S.A. (Venezuela) (58.50)
 Gulf of Paria East Operating Company (Cayman Islands) (100.00)
 Enron Oil & Gas Venezuela - Guarico Ltd. (Cayman Islands) (100.00)
 Enron Oil & Gas Investments, Inc. (Delaware) (100.00)
 Enron Oil & Gas Acquisitions L.P. (Delaware) (99.00)
 Enron Oil & Gas Marketing, Inc. (Delaware) (100.00)
 Enron Oil & Gas Property Management, Inc. (Delaware) (100.00)
 Enron Oil & Gas Acquisitions L.P. (Delaware) (1.00)
 EOG - Canada, Inc. (Delaware) (100.00)
 EOG Company of Canada (Nova Scotia) (100.00)
 EOG Canada Company Ltd. (Alberta) (100.00)
 Enron Oil Canada Ltd. (Alberta) (100.00)
 EOG Expat Services, Inc. (Delaware) (100.00)
 ERSO, Inc. (Texas) (100.00)
 Nilo Operating Company (Delaware) (100.00)

ENRON OPERATING SERVICES CORP. (Delaware) (100.00)
 ENRON OPERATIONS CORP. (Delaware) (100.00)
 Enron Gathering Company (Delaware) (100.00)
 Enron Gulf Coast Gathering Limited Partnership (Delaware) (99.00)
 Enron Liquid Services Corp. (Delaware) (100.00)
 Enron Processing Properties, Inc. (Delaware) (100.00)
 Port Arthur Olefins, L.L.C. (Delaware) (50.00)
 Enron Permian Gathering Inc. (Delaware) (100.00)
 NBP Services Corporation (Delaware) (100.00)
 ENRON OREGON SERVICES, INC. (Oregon) (100.00)
 Enron California Municipal Services, Inc. (Oregon) (100.00)
 Enron Microclimates, Inc. (Oregon) (100.00)
 ENRON OVERSEAS B.V. (The Netherlands) (100.00)
 ENRON OVERTHRUST PIPELINE COMPANY (Delaware) (100.00)
 ENRON PERU DISTRIBUTION LTD. (Cayman Islands) (100.00)
 ENRON PERU TRANSPORTATION LTD. (Cayman Islands) (100.00)
 ENRON PIPELINE COMPANY (Delaware) (100.00)
 Black Marlin Pipeline Company (Texas) (100.00)
 Enron Capital & Trade Resources South America S.A. (Argentina) (0.01)
 Enron Gulf Coast Gathering Limited Partnership (Delaware) (1.00)
 Enron International Argentina S.A. (Argentina) (00.01)
 Enron Joliet Pipeline Company (Cayman Islands) (100.00)
 Enron Operations Services Corp. (Delaware) (100.00)
 Enron Pipeline Company-Argentina S.A. (Argentina) (.01)
 Enron Preferred Capital Corp. (Delaware) (100.00)
 Northern Natural Gas Company (Delaware) (100.00)
 Transwestern Gathering Company (Delaware) (100.00)
 Transwestern Pipeline Company (Delaware) (100.00)
 ENRON PONDEROSOIA MANAGEMENT HOLDINGS, INC. (Delaware) (100.00)
 Ponderosoia Assets, L.P. (Delaware) (0.001)
 Sundance Assets, L.P. (Delaware) (50.00)
 ENRON POWER CORP. (Delaware) (100.00)
 ECT Europe, Inc. (Delaware) (100.00)
 Enron Germany Inc. (Delaware) (100.00)
 Enron Norway Invest Inc. (Delaware) (100.00)
 Jertovec Management and Finance Limited (Cayman Islands)
 (100.00)
 Elektrana Jertovec 2 d.o.o. (Croatia) (100.00)
 Jertovec Management & Finance B.V. (The Netherlands) (100.00)
 Elektrana Jertovec d.o.o. (Croatia) (100.00)
 Enron Development Corp. (Delaware) (100.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (0.13)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks &
 Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos
 Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks &
 Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos
 Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (0.13)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)

Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron International Holdings Corp. (Delaware) (10.87)
 Electricidad Enron de Guatemala, Sociedad Anonima FUCO Guatemala (100.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron International Holdings Corp. (Delaware) (29.00)
 Electricidad Enron de Guatemala, Sociedad Anonima FUCO Guatemala (100.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (1.50)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)

Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Dominican Republic Ltd. (Cayman Islands)
 (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks &
 Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership
 FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman
 Islands) (100.00)
 Smith/Enron Cogeneration Limited
 Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks &
 Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines)
 (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Miss Kitty, L.L.C. (Delaware) (100.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala)
 (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Europe Limited (England) (87.50)
 Bretton Holdings (One) Limited (England) (100.00)
 SBI 3 Limited (England) (100.00)
 ECT Spain Limited (England) (100.00)
 ECT Espana Limited (England) (100.00)
 Enron Capital & Trade Resources Limited FUCO (England) (100.00)
 Enron Engineering Services (England) (99.00)
 Enron Europe Operations Limited EWG (England) (100.00)
 Enron Gas & Petrochemicals Trading Limited (England) (100.00)
 Enron Europe Power 2 Limited (England) (100.00)
 Enron Europe Power 1 Limited (England) (100.00 Pref.)
 Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Teesside Power Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Enron Europe Power 3 Limited (England) (100.00 Ord.)
 Enron Europe Power 1 Limited (England) (100.00 Ord.)
 Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Teesside Power Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Enron Europe Power 4 Limited (England) (100.00)
 Enron Europe Power 3 Limited (England) (100.00 Pref.)
 Enron Europe Power 1 Limited (England) (100.00 Ord.)
 Teesside Power Holdings Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Teesside Power Limited FUCO (England) (85.00 Ord.)
 (100.00 Pref.)
 Enron Power Operations Limited (England) (100.00)
 Enron Power Operations Teesside FUCO (England) (50.00 A Ord.)
 (100.00 B Pref.)
 Enron Eurasia Limited (England) (100.00)
 Enron SB2 (England) (100.00)
 Enron SB Limited (England) (50.00) A Ord. (100.00 C Pref.)
 (50.00 F Pref.)
 Sutton Bridge Power FUCO (England) (42,399,999 Ord. Shares)
 SBI 3 Limited (England) (100.00)
 Enron SB2 (England) (100.00)
 Enron SB Limited (England) (50.00) A Ord. (100.00 C Pref.)

(50.00 F Pref.)
 Sutton Bridge Power FUCO (England) (42,399,999 Ord. Shares)
 Teesside Gas Processing Limited FUCO (England) (100.00)
 Teesside Gas Transportation Limited FUCO (England) (50.00 Ordinary)
 Teesside Operations (Holdings) 2 Limited (England) (100.00)
 Teesside Operations (Holdings) Limited (England) (100.00)
 Enron Teesside Operations Limited (England) (100.00)
 Teesside Power Limited FUCO (England) (B Special Share)
 Trenron Limited (England) (100.00)
 Enron Power Operations Teesside FUCO (England) (1.00 A Ord.)
 Enron Eurasia Limited (England) (100.00)
 Sutton Bridge Power FUCO (England) (1.00 Ord. Share)
 Wallerscote Power Operations Limited (Pending). (100.00)
 Teesside Gas Transportation Limited FUCO (England) (50.00 Ordinary) (100.00 Preference)
 Enron International Holdings Corp. (Delaware) (30.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Batangas Power Corp. FUCO (Philippines) (50.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Reserve Holdings (Turks & Caicos Isles) (100.00)
 Enron LNG Development Corp. (Delaware) (100.00)
 Enron India Natural Gas, Inc. (Delaware) (100.00)
 Enron Transportation Services Ltd. (Cayman Islands) (100.00)
 Enron Development Corp. - Colombia Branch (N/A) (N/A)
 Centragas - Transportadora de Gas de la Region
 Central de Enron Development & Cia, S.C.A (Colombia) (1.00)
 Enron Development Corp. - UK Branch (N/A) (N/A)
 EEL Company Limited (England) (100.00)
 Enron Petrochemicals B.V. (The Netherlands) (100.00)
 Enron Europe Construction Limited (England) (100.00)
 NEPCO UK Limited (England) (100.00)
 Enron Europe Liquids Processing (England) (99.00)
 Enron Pakistan Operating Company (Private) Limited (Pakistan) (99.00)
 Enron Europe Power Holdings Limited (England) (100.00)
 Enron Europe Power Unlimited (England) (65.00)
 Teesside Power Holdings Limited FUCO (England) (85.00)
 Teesside Power Limited FUCO (England) (50.00)
 Enron Europe Power 5 Limited (England) (100.00)
 Enron Europe Severnside Holdings Limited (England) (100.00)
 Enron Europe Severnside (No. 2) Limited (England) (100.00)
 Enron Europe Severnside Limited (England) (100.00)
 Enron Gas Construction Limited (England) (99.00)
 Enron Gas Processing (U.K.) Limited (England) (100.00)
 Enron Guc Santrallari Isletme Limited Sirketi (Turkey) (99.00)
 Enron Power (Europe) Limited (England) (100.00)
 Bretton Power (England) (50.00)

Enrici Power Marketing Limited (England) (100.00)
 Enron Power Construction Limited (England) (100.00)
 Enron Gas Processing (Europe) Limited (England) (100.00)
 Enron Power Trading Limited (England) (100.00)
 Enron Financial Energy Trading L.L.C. (Delaware) (100.00)
 Enron SB 2 (England) (100.00)
 Sutton Bridge Holdings Limited (England) (100.00)
 Enron SB Limited (England) (100.00)
 IPG Power Limited (England) (99.00)
 Sutton Bridge Power (England) (100.00)
 Sutton Bridge Financing Limited (Cayman Islands) (100.00)
 Enron SB Operations & Maintenance Limited (England) (99.00)
 Falco UPG, Limited (England) (100.00)
 UPG Falco Limited (England) (100.00)
 Flotilla Power Limited (England) (100.00)
 Flotilla Power (UK) Limited (England) (100.00)
 Kent Power Limited (England) (50.00)
 Teesside Gas Processing Limited FUCO (England) (100.00)
 Teesside Gas Transportation Limited FUCO (England) (50.00)
 Trenron Limited (England) (100.00)
 Bretton Power (England) (50.00)
 Enron Engineering Services (England) (1.00)
 Enron Power Operations Teesside FUCO (England) (0.50)
 Enron SB Operations & Maintenance Limited (England) (1.00)
 Wallerscote Operations & Maintenance Ltd. (England) (99.00)
 Wallerscote Power Operations Limited (England) (100.00)
 Enron Power Operations Teesside FUCO (England) (75.00)
 Teesside Gas Processing Limited FUCO (England) (100.00)
 Teesside Gas Transportation Limited FUCO (England) (50.00)
 Enron International Holdings Corp. (Delaware) (30.00)
 Enron Global, Inc. (Delaware) (100.00)
 Enron Holding Company, L.L.C. (Delaware) (1.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (52.00)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Global Power & Pipelines L.L.C. (Delaware) (1.50)
 Enron Dominican Republic Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Enron Dominican Republic Operations Ltd. (Cayman Islands) (100.00)
 Smith/Enron Cogeneration Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (1.00)
 Enron Power Philippines Corp. FUCO (Philippines) (100.00)
 Smith/Enron O&M Limited Partnership FUCO (Turks & Caicos Isles) (49.00)
 Subic Power Corp. FUCO (Philippines) (50.00)
 Puerto Quetzal Power Corp. FUCO (Delaware) (50.00)
 Electricidad del Pacifico, S.A. (Guatemala) (100.00)
 Western Caribbean Finance L.P. (Texas) (98.00)
 Tombstone Assets, L.L.C. (Delaware) (100.00)
 Enron Power Construction (Brazil) Ltda. (Brazil) (50.00)
 Enron Power Corp. - U.S. (Delaware) (100.00)
 Enron Equipment Installation Company (Delaware) (100.00)
 Enron Equipment Procurement Company (Delaware) (100.00)

Enron Export Sales Ltd. (Barbados) (100.00)
 Enron Fuels International, Inc. (Delaware) (100.00)
 Enron Onshore Procurement Company (Delaware) (100.00)
 Enron Power I Puerto Rico, Inc. (Delaware) (100.00)
 Enron/CNF Power Construction Partnership (Delaware) (50.00)
 Enron Power Construction Company (Delaware) (100.00)
 Enron Power Construction (Brazil) Ltda. (Brazil) (50.00)
 Enron Power Oil Supply Corp. (Delaware) (100.00)
 Enron Power Philippine Operating Corp. FUCO (Delaware) (100.00)
 Superior Construction Company (Delaware) (100.00)
 Enron Power Holdings B.V. (The Netherlands) (100.00)
 Enron Power Holdings GmbH (Germany) (100.00)
 Enron Energie GmbH (Germany) (100.00)
 Kraftwerk Bitterfeld GmbH (Germany) (50.00)
 Enron Power Operating Company (Delaware) (100.00)
 Enron Subic Power Corp. FUCO (Philippines) (100.00)
 Enron Trans-Caspian Limited (Cayman Islands) (100.00)
 ENRON POWER INTERNATIONAL LTD. (Cayman Islands) (100.00)
 ENRON PREFERRED FUNDING, L. P. (Delaware) (3.00)
 ENRON PREFERRED FUNDING II, L. P. (Delaware) (3.00)
 ENRON PROPERTY & SERVICES CORP. (Delaware) (100.00)
 ENRON REALTY ADVISORS, INC. (Delaware) (100.00)
 ENRON RUSSIA DEVELOPMENT, INC. (Delaware) (100.00)
 ENRON S. A. HOLDINGS LTD. (Cayman Islands) (100.00)
 Enron South Africa Ltd. (Cayman Islands) (99.00)
 Enron S. A. Investments Ltd. (Cayman Islands) (100.00)
 ENRON SOUTH AMERICA LLC (Delaware) (100.00)
 Bijupira-Salema Development Company Ltd (Cayman Islands) (100.00)
 EI (Brazil) Water Holdings Ltd. (Cayman Islands) (100.00)
 EI Brazil Water Investments Ltd. (Cayman Islands) (100.00)
 EI Communications Holdings Ltd. (Cayman Islands) (100.00)
 Enron Argentina Development Ltd. (Cayman Islands) (100.00)
 CORDEX Americas 1997, L.L.C. (Delaware) (50.00)
 Enron Argentina Investments, Inc. (Delaware) (100.00)
 Enron CHESA Delaware Limited Liability Company (Delaware) (1.00)
 Enron CHESA Texas Limited Liability Company (Texas) (1.00)
 Compania Hidroelectrica Enron S.A. (Argentina) (99.99)
 Enron Argentina Ventures, Inc. (Delaware) (100.00)
 Enron Brazil Energy Investments Ltd. (Cayman Islands) (100.00)
 Enron Brazil Light Holdings Ltd. (Cayman Islands) (100.00)
 Enron Brazil Light Ltd. (Cayman Islands) (100.00)
 Enron Brazil Northeast Development Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings 21 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments 21 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings 22 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments 22 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings 23 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments 23 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings 24 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments 24 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings 25 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments 25 Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings II Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments II Ltd. (Cayman Islands) (100.00)
 ESAE - Empresa Sul Americana de Energia Ltda. (Brazil) (50.00)
 ESAE - Empresa Sul Americana de Energia Ltda. (Brazil) (50.00)
 Enron Brazil Power Holdings III Ltd. (Cayman Islands) (100.00)
 EBE-Empresa Brasileira de Energia Ltda. (Brazil) (99.00)
 Enron Brazil Power Investments III Ltd. (Cayman Islands) (100.00)
 EBE - Empresa Brasileira de Energia Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings IV Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments IV Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings V Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments V Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings VI Ltd. (Cayman Islands) (100.00)
 Enron Gas do Brasil Ltda. (Brazil) (99.99)

Enron (Brazil) Power Investments VI Ltd. (Cayman Islands) (100.00)
 Enron Gas do Brasil Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings VII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments VII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings VIII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments VIII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings IX Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments IX Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings X Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments X Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings XI Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments XI Ltd. (Cayman Islands) (100.00)
 ETB-Energia Total do Brazil Ltda. (Brazil) (1.00)
 ETB-Energia Total do Brazil Ltda. (Brazil) (99.00)
 Enron Brazil Power Holdings XII Ltd. (Cayman Islands) (100.00)
 SPE - Sociedade Paulista de Energia Ltda (Brazil) (99.00)
 Enron Brazil Power Investments XII Ltd. (Cayman Islands) (100.00)
 SPE - Sociedade Paulista de Energia Ltda (Brazil) (1.00)
 PEP - Plena Energia Participacoes Ltda. (Brazil) (1.00)
 PEP - Plena Energia Participacoes Ltda. (Brazil) (99.00)
 Enron Brazil Power Holdings XIII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Investments XIII Ltd. (Cayman Islands) (100.00)
 Enron Brazil Power Holdings XIV Ltd. (Cayman Islands) (100.00)
 EPP-Energia Pura Participacoes Ltda. (Brazil) (99.00)
 Enron Brazil Power Investments XIV Ltd. (Cayman Islands) (100.00)
 EPP-Energia Pura Participacoes Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings XV Ltd. (Cayman Islands) (100.00)
 Cone Sul Energia Ltda. (Brazil) (99.00)
 Enron Brazil Power Investments XV Ltd. (Cayman Islands) (100.00)
 Cone Sul Energia Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings XVI Ltd. (Cayman Islands) (100.00)
 BRASEN-Brasil Energia Ltda. (Brazil) (99.00)
 Enron Brazil Power Investments XVI Ltd. (Cayman Islands)
 (100.00)
 BRASEN-Brasil Energia Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings XVII Ltd. (Cayman Islands) (100.00)
 ENERSIL-Energia do Brasil Ltda. (Brazil) (99.00)
 Enron Brazil Power Investments XV II Ltd. (Cayman Islands)
 (100.00)
 ENERSIL-Energia do Brasil Ltda. (Brazil) (1.00)
 Enron Brazil Power Holdings XV III Ltd. (Cayman Islands) (100.00)
 SPGIA-Sao Paulo Energial Ltda. (Brazil) (99.00)
 Enron Brazil Services Ltd. (Cayman Islands) (100.00)
 Enron Brazil Ltd. (Cayman Islands) (100.00)
 Enron Servicos do Brasil Ltda. (Brazil) (99.00)
 Enron Development Belo Horizonte Ltd. (Cayman Islands) (100.00)
 Enron Brazil Development C.V. (The Netherlands) (1.00)
 Enron Development Brazil Ltd. (Cayman Islands) (100.00)
 Enron Electric Power Brazil C.V. (The Netherlands) (1.00)
 Enron do Brazil Holdings Ltd. (Cayman Islands) (100.00)
 EPE-Empresa Produtora de Energia Ltda. (Brazil) (90.00)
 Enron do Brazil Investments Ltd. (Cayman Islands) (100.00)
 EPE-Empresa Produtora de Energia Ltda. (Brazil) (10.00)
 EPE Holdings Ltd. (Cayman Islands) (52.6)
 EPE Generation Holdings Ltd. (Cayman Islands) (100.00)
 EPE Investments Ltd. (Cayman Islands) (100.00)
 EPE Generation Holdings Ltd. (Cayman Islands) (1.00)
 Enron Electric Bolivia Ltd (Cayman Islands) (100.00)
 Enron Energia del Valle 2 Ltd. (Cayman Islands) (50.25)
 Enron Electric Brazil Holdings Ltd. (Cayman Islands) (100.00)
 Enron Electric Brazil Ltd. (Cayman Islands) (100.00)
 Enron Wenchang Investments Ltd. (Cayman Islands) (100.00)
 Enron Energia de Bolivia Holdings Ltd. (Cayman Islands) (100.00)
 Enron Energia de Bolivia Investments Ltd. (Cayman Islands)
 (100.00)
 Enron Holding Equity Corp. (Delaware) (100.00)

Enron International Argentina Holdings Ltd. (Cayman Islands) (80.00)
 Enron Comercializadora de Energia Argentina S.A. (Argentina) (1.00)
 Enron International Argentina Investments Ltd. (Cayman Islands)
 (100.00)
 Enron International Argentina S.A. (Argentina) (99.99)
 Enron International Argentina Transmission Ltd. (Cayman Islands) (100.00)
 Enron International Argentina Transmission Investment
 Ltd. (Cayman Islands) (100.00)
 Enron International Bahia Ltd. (Cayman Islands) (100.00)
 EBD - Empresa Brasileira Distribudora Ltda. (Brazil) (1.00)
 Enron International Bahia Holdings Ltd. (Cayman Islands) (100.00)
 EBD - Empresa Brasileira Distribudora Ltda. (Brazil) (99.00)
 Enron International Bolivia Holdings Ltd. (Cayman Islands) (100.00)
 GasOriente Boliviano S.A. (Bolivia) (98.40)
 Enron International Bolivia Investments Ltd. (Cayman Islands) (100.00)
 GasOriente Boliviano S.A. (Bolivia) (00.80)
 Enron International Latin America Ltd. (Cayman Islands) (100.00)
 Enron International Latin America Investments Ltd. (Cayman Islands) (100.00)
 Enron International Rio Investments 1997 Ltd. (Cayman Islands) (100.00)
 Enron Paysandu Holdings Ltd. (Cayman Islands) (100.00)
 Enron Paysandu Development Ltd. (Cayman Islands) (100.00)
 Enron Power Mato Grosso Do Sul Holdings Ltd. (Cayman Islands) (100.00)
 Enron Power Mato Grosso do Sul Ltd. (Cayman Islands) (100.00)
 Enron PSB Marketing Holdings Ltd. (Cayman Islands) (100.00)
 Enron PSB Marketing Investments Ltd. (Cayman Islands) (100.00)
 Enron Puerto Suarez Holdings Ltd. (Cayman Islands) (100.00)
 Enron Puerto Suarez Investments Ltd. (Cayman Islands) (100.00)
 Enron Reserve 7 B.V. (The Netherlands) (100.00)
 Enron (Bolivia) C.V. (The Netherlands) (1.00)
 Gas TransBoliviano S. A. (Bolivia) (49.60)
 Enron Reserve 8 B.V. (The Netherlands) (100.00)
 Enron Caribe C.V. (The Netherlands) (1.00)
 Enron Power I C.V. (The Netherlands) (1.00)
 Enron Power Honduras S. de R.L. de C.V.** (Honduras) (99.00)
 Enron Servicios De Energia, S.A. (Bolivia) (100.00)
 Enron Transportadora De Bolivia Ltd. (Cayman Islands) (100.00)
 Enron Transportadora Bolivia S.A. (Bolivia) (100.00)
 Enron Transportadora Uruguay Ltd. (Cayman Islands) (100.00)
 Enron Pipeline Uruguay Ltd. (Cayman Islands) (51.00)
 Perez Enron Transportadora Ltd. (Cayman Islands) (51.00)
 International Energy Developments Of Peru Corp. (Delaware) (100.00)
 International Energy Investments Of Peru Corp. (Delaware) (100.00)
 International Energy Holdings Of Peru Corp. (Delaware) (100.00)
 Millenium Energy Ltd. (Cayman Islands) (100.00)
 Rio Energia Holdings Ltd. (Cayman Islands) (100.00)
 Rio Energia Investments Ltd. (Cayman Islands) (100.00)
 Southern Brazil Electric Holdings Ltd. (Cayman Islands) (100.00)
 Enron Sao Paulo Investments Ltd. (Cayman Islands) (100.00)
 Enron Electric Sao Paulo C.V. (The Netherlands) (1.00)
 Southern Cone Gas, Ltd. (Cayman Islands) (100.00)
 Enron Reserve III B.V. (The Netherlands) (100.00)
 Enron Wenchang Power C.V. (The Netherlands) (1.00)
 Hainan Meinan Power Company CJV EWG (China) (99.00)
 Hainan Meinan Power Services Company, Limited (China)
 (100.00)
 Hainan Meinan Power Company CJV EWG (China) (1.00)
 Enron Wenchang Power C.V. (The Netherlands) (99.00)
 Hainan Meinan Power Company CJV EWG (China) (99.00)
 Hainan Holdings Ltd. (Cayman Islands) (49.00)
 Enron Reserve III B.V. (The Netherlands) (100.00)
 Enron Wenchang Power C.V. (The Netherlands) (1.00)
 Hainan Meinan Power Company CJV EWG (China) (99.00)
 Hainan Meinan Power Services Company, Limited (China)
 (100.00)
 Hainan Meinan Power Company CJV EWG (China) (1.00)
 Enron Wenchang Power C.V. (The Netherlands) (99.00)

Hainan Meinan Power Company CJV EWG (China) (99.00)
 Hainan Funding LLC (Turks & Caicos Isles) (50.00)
 Southwest Brazil Electric Holdings Ltd. (Cayman Islands) (100.00)
 Enron Electric Mato Grosso do Sul C.V. (The Netherlands) (99.00)
 Enron Mato Grosso do Sul Investments Ltd. (Cayman Islands) (100.00)
 Enron Electric Mato Grosso do Sul C.V. (The Netherlands) (1.00)
 Enron West Africa Pipeline Ltd. (Cayman Islands) (100.00)
 Enron & Partners Limited (England) (100.00)
 ET Power 1 L.L.C. (Delaware) (100.00)
 ET Power 2 L.L.C. (Delaware) (100.00)
 ET Power 3 L.L.C. (Delaware) (100.00)
 LFT Power I, LLC (Delaware) (100.00)
 LFT Power II, LLC (Delaware) (100.00)
 LFT Power III, LLC (Delaware) (100.00)
 Mesquite Holdings B.V. (The Netherlands) (100.00)
 Enron Design C.V. (The Netherlands) (99.00)
 Enron Dutch Investment No. 2 (England) (99.90)
 Enron Power Holdings C.V. (The Netherlands) (99.00)
 Trakya Elektrik Uretim ve Ticaret A.S. EWG (Turkey) (50.00)
 Enron Power Management B.V. (The Netherlands) (100.00)
 Enron Design C.V. (The Netherlands) (1.00)
 Enron Proje Yonetimi Limited Sirketi (Turkey) (95.00)
 Enron Turkey Energy B.V. (The Netherlands) (100.00)
 Enron Power Holdings C.V. (The Netherlands) (0.10)
 Trakya Elektrik Uretim ve Ticaret A.S. EWG (Turkey) (50.00)
 Enron Power Management B.V. (The Netherlands) (100.00)
 Enron Design C.V. (The Netherlands) (1.00)
 Enron Proje Yonetimi Limited Sirketi (Turkey) (95.00)
 Tekarioca Holdings Ltd. (Cayman Islands) (100.00)
 ENRON SPORTS CORP. (Delaware) (100.00)
 Stadium Partners, L. P. (Texas) (50.00)
 ENRON STORAGE COMPANY (Delaware) (100.00)
 Napoleonville Storage Company Limited Partnership (Texas) (1.00)
 ENRON TAWHEELAH POWER COMPANY (Cayman Islands) (100.00)
 ENRON TRAILBLAZER PIPELINE COMPANY (Delaware) (100.00)
 Trailblazer Pipeline Company (Pending) (33.30)
 ENRON TRANSITION COMPANY, INC. (Delaware) (100.00)
 ENRON VENTURES CORP. (Delaware) (100.00)
 Catalytica Combustion Systems, Inc. (Delaware) (100.00)
 Enron Nuclear Services Corp. (Delaware) (100.00)
 Enron Vietnam Investments Ltd. (Cayman Islands) (100.00)
 ENRON WASHINGTON, INC. (Delaware) (100.00)
 ENRON VALKYRIE, LLC (Delaware) (95.00)
 EOG RESOURCES, INC. (Delaware) (6.15)
 EOG Canada, Inc. (Delaware) (100.00)
 EOG Canada Company Ltd. (Alberta) (91.07)
 EOG Resources Canada Inc. (Alberta) (100.00)
 EOG Company of Canada (Nova Scotia) (100.00)
 EOG Canada Company Ltd. (Alberta) (9.93)
 EOG Expat Services, Inc. (Delaware) (100.00)
 EOG Resources-Callaghan, Inc. (Delaware) (100.00)
 EOG Resources-Carthage, Inc. (Delaware) (100.00)
 EOG Resources Investments, Inc. (Delaware) (100.00)
 EOG Resources Acquisitions L.P. (Delaware) (99.00)
 EOG Resources-International, Inc. (Delaware) (100.00)
 EOG Resources Bangladesh Ltd. (Cayman Islands) (100.00)
 EOGI-Abu Dhabi, Inc. (Cayman Islands) (100.00)
 EOG Resources Adu Dhabi Ltd. (Cayman Islands) (100.00)
 EOGI-Algeria, Inc. (Delaware) (100.00)
 EOGI-(Australia), Inc. (Delaware) (100.00)
 EOGI-France, Inc. (Delaware) (100.00)
 EOG Resources France S.A. (France) (99.72)
 EOGI-Kazakhstan, Inc. (Delaware) (100.00)
 EOG Resources Kazakhstan Ltd. (Cayman Islands) (100.00)
 EOGI-Mozambique, Inc. (Delaware) (100.00)
 EOGI-Qatar, Inc. (Cayman Islands) (100.00)

EOGI-Trinidad U(a) Block, Inc. (Delaware) (100.00)
 EOGI Trinidad-U(a) Block Company (Cayman Islands) (100.00)
 EOG Resources Trinidad-U(a) Block Limited
 (Cayman Islands) (99.00)
 EOGI-United Kingdom, Inc. (Delaware) (100.00)
 EOGI United Kingdom Company B.V. (The Netherlands) (100.00)
 EOGI-Uzbekistan, Inc. (Delaware) (100.00)
 EOGI-Venezuela (Guarico), Inc. (Delaware) (100.00)
 EOGI-Venezuela, Inc. (Delaware) (100.00)
 EOG Resources Marketing, Inc. (Delaware) (100.00)
 EOG Resources-Property Management, Inc. (Delaware) (100.00)
 EOG Resources Acquisitions L.P. (Delaware) (1.00)
 ERSO, Inc. (Texas) (100.00)
 Nilo Operating Company (Delaware) (100.00)
 EOTT ENERGY PARTNERS, L.P. (Delaware) (9.62)
 ES POWER 1 L.L.C. (Delaware) (100.00 Managing)
 ES Power 3 L.L.C. (Delaware) (100.00)
 Enron Dutch Holdings B.V. (The Netherlands) (100.00)
 Sarlux S.R.L. (The Netherlands) (45.00)
 ES POWER 2 L.L.C. (Delaware) (100.00 Managing)
 ES Power 1 L.L.C. (Delaware) (99.99 Non voting)
 ES Power 3 L.L.C. (Delaware) (100.00)
 Enron Dutch Holdings B.V. (The Netherlands) (100.00)
 Sarlux S.R.L. (Pending). (45.00)
 ES POWER 3 L.L.C. (Delaware) (100.00 Voting A)
 Enron Dutch Holdings B.V. (The Netherlands) (100.00)
 Sarlux S.R.L. (Pending). (45.00)
 GRAND SLAM PARKING, INC. (Delaware) (100.00)
 GULF COMPANY LTD. (Vermont) (100.00)
 HALF DOME LLC (Delaware) (100.00)
 HOUSTON ECONOMIC OPPORTUNITY FUND, L.P. (Delaware) (99.00)
 HOUSTON PIPE LINE COMPANY (Delaware) (100.00)
 A-S Line (Delaware) (50.00)
 Austin Line (Delaware) (50.00)
 Big Cowboy Line (Delaware) (50.00)
 Citrus Corp. (Delaware) (50.00)
 Citrus Energy Services, Inc. (Delaware) (100.00)
 Citrus Trading Corp. (Delaware) (100.00)
 Citrus Marketing, Inc. (Delaware) (100.00)
 Florida Gas Transmission Company (Delaware) (100.00)
 Border Gas, Inc. (Delaware) (3.33)
 Coal Properties Corporation (Illinois) (100.00)
 Enron Engineering & Construction Company (Texas) (100.00)
 Enron Engineering Acquisition Corp. (Delaware) (100.00)
 Enron Advisory Services, Inc. (Delaware) (100.00)
 National Energy Production Corporation (Delaware) (100.00)
 NEPCO Services International, Inc. (Delaware) (100.00)
 Thai Nepco, Ltd. (Thailand) (99.94)
 Enron Industrial Natural Gas Company (Delaware) (100.00)
 Maliseet Properties, Inc. (Delaware) (100.00)
 Enron Texoma Gas Company (Texas) (100.00)
 Houston Pipe Line Marketing Company (Texas) (100.00)
 HPL Resources Company (Delaware) (100.00)
 Overthrust Pipeline Company (N/A) (18.00)
 Intratex Gas Company (Delaware) (100.00)
 Little Looper, L.L.C. (Delaware) (100.00)
 Little Piper, L.L.C. (Delaware) (100.00)
 Middle Piper, L.L.C. (Delaware) (100.00)
 Main Piper, L.P. (Texas) (99.99)
 Main Piper, L.P. (Texas) (1.00)
 Meter Acquisition Company LP, LLLP (Delaware) (47.50)
 MidTexas Pipeline Company (Joint Venture) (Pending) (50.00)
 Middle Looper, L.L.C. (Delaware) (100.00)
 Panhandle Gas Company (Delaware) (100.00)
 Riverside Farms Company (Illinois) (100.00)
 San Marco Pipeline Company (Colorado) (50.00)

Seagull Shoreline System (Pending) (30.00)
South Texas Line (Pending). (80.00)
Transgulf Pipeline Company (Florida) (100.00)
KINGFISHER I LLC (Delaware) (100.00)
NORTHERN PLAINS NATURAL GAS COMPANY (Delaware) (100.00)
Longhorn Assets, L.L.C. (Delaware) (100.00)
NBIL I, L.L.C. (Delaware) (1.00)
NBIL II, L.L.C. (Delaware) (100.00)
NBIL I, L.L.C. (Delaware) (99.99)
Northern Border Intermediate Limited Partnership (Delaware) (0.50)
Black Mesa Holdings, Inc. (Delaware) (60.50)
Black Mesa Pipeline Operations, L.L.C. (Delaware) (60.50)
NBP Energy Pipelines, L.L.C. (Delaware) (100.00)
Northern Border Pipeline Company (Texas) (70.00)
Williams Technologies, Inc. (Oklahoma) (100.00)
China Pipeline Holdings Ltd. (Cayman Islands) (00.82)
Northern Border Partners, L.P. (Delaware) (12.630)
Northern Border Intermediate L.P. (Delaware) (98.9899)
Northern Border Pipeline Corporation (Delaware) (100.00)
Pan Border Gas Company (Delaware) (100.00)
NOWA SARZYNA HOLDING B.V. (The Netherlands) (100.00)
Enron Poland Investment B.V. (The Netherlands) (100.00)
Elektrociepłownia Nowa Sarzyna Sp. z o.o (Pending)
(25.00)
OMICRON ENTERPRISES, INC. (Delaware) (100.00)
Artemis Associates, L.L.C. (Delaware) (51.00)
EFS Construction and Services Company (Delaware) (100.00)
EFS Holdings, Inc. (Delaware) (100.00)
Affiliated Building Services, Inc. Holding Company (Delaware)
(100.00)
Affiliated Building Services, Inc. (Delaware) (100.00)
Affiliated Building Services Pty. Ltd. (Australia)
(40.00)
Affiliated Building Services, Inc.
Investment Company (Delaware) (100.00)
EFS Corporate Services, Inc. (Delaware) (100.00)
Limbach Constructors Incorporated (Delaware) (100.00)
Limbach Facility Services, Inc. (Delaware) (100.00)
EFG Holdings, Inc. (Delaware) (100.00)
The Linc Corporation (Pennsylvania) (100.00)
The Linc Company (Pennsylvania) (100.00)
The Linc Corporation Investment Company (Pending)
(100.00)
Harper Mechanical Corporation (Pending) (100.00)
Harper Mechanical Corporation
Investment Company (Delaware) (100.00)
Limbach Company Holding Company (Delaware) (100.00)
The Linc Corporation Holding Company (Delaware)
Limbach Company (Pennsylvania) (100.00)
Limbach Company Investment Company (Delaware)
(100.00)
Mechanical Professional Services, Inc. (Pending). (100.00)
The Linc Corporation Holding Company (Delaware) (100.00)
Williard, Inc. (Delaware) (100.00)
Williard Inc, Investment Company (Delaware) (100.00)
Williard Plumbing Company, L.P. (Delaware) (90.00)
Enron Facility Services, Inc. (Delaware) (100.00)
OPTEC, INC. (Oregon) (100.00)
ORGANIZATIONAL PARTNER, INC. (Delaware) (100.00)
PEREGRINE I LLC (Delaware) (100.00)
PORTLAND GENERAL ELECTRIC COMPANY (Oregon) (100.00)
Portland General Transport Corporation (Oregon) (100.00)
121 S.W. Salmon St. Corporation (Oregon) (100.00)
Salmon Springs Hospitality Group, Inc. (Oregon) (100.00)
World Trade Center Northwest Corporation (Oregon) (100.00)
PORTLAND GENERAL HOLDINGS, INC. (Oregon) (100.00)

Columbia Willamette Development Company (Oregon) (100.00)
 PGH Leasing, LLC (Oregon) (100.00)
 Seneca Leasing Partners, L.P. (Delaware) (95.00)
 PGH II, Inc. (Oregon) (100.00)
 Columbia-Pacific Distribution Services Company, LLC
 (Oregon) (99.00)
 Columbia Willamette Development Company (Oregon) (100.00)
 Enron Distribution Services Company, LLC (Delaware) (99.00)
 Peregrine Ventures II, L.P. (Pending) (8.6)
 Portland Energy Solutions Company, LLC (Oregon) (99.00)
 Portland General Distribution Company (Oregon) (100.00)
 Columbia-Pacific Distribution Services Company, LLC
 (Oregon) (1.00)
 Enron Distribution Services Company, LLC (Delaware) (1.00)
 Portland Energy Solutions Company, LLC (Oregon) (1.00)
 Portland General Operations Company, Inc. (Oregon) (100.00)
 Tule Hub Services Company (Oregon) (100.00)
 Portland General Operations Company, Inc. (Oregon) (100.00)
 PGO Holding Company Ltd. (Cayman Islands) (100.00)
 PGO-Mexico ComUpgrade Ltd. (Cayman Islands) (100.00)
 PGO-Mexico ComUpgrade 1, LLC (Delaware) (100.00)
 PGO-Mexico ComUpgrade 2, LLC (Delaware) (.01)
 PGO-Mexico Ltd. (Cayman Islands) (100.00)
 PGO-Mexico 1 LLC (Delaware) (100.00)
 PGO-Mexico 2 LLC (Delaware) (100.00)
 Portland General Property Holdings, Inc. (Oregon) (100.00)
 Tule Hub Services Company (Oregon) (100.00)
 PORTLAND TRANSITION COMPANY, INC. (Oregon) (100.00)
 PRAIRIE HAWK, INC. (Delaware) (100.00)
 SEMINOLE CAPITAL LLC (Delaware) (100.00)
 SENTINEL DOME LLC (Delaware) (100.00)
 SEQUOIA FINANCIAL ASSETS, LLC (Delaware) (96.00)
 SHELBY LTD. (Cayman Islands) (100.00)
 SMITH STREET LAND COMPANY (Delaware) (100.00)
 Enron Renewable Energy Corp. (Delaware) (78.33)
 Enron Solar Energy, Inc. (Delaware) (100.00)
 EREC Nepal Development Ltd. (Cayman Islands) (100.00)
 Enron Wind Corp. (California) (100.00)
 Enron Wind Corp. Holdings B.V. (The Netherlands) (100.00)
 Enron Wind Denmark ApS (Denmark) (100.00)
 Owenreagh Power Partners Ltd. (Cayman Islands) (100.00)
 Owenreagh Cayman Power Partners, LLC (Cayman Islands) (100.00)
 Owenreagh Power Partners FUCO (Cayman Islands) (95.00)
 Vindkraftbolaget Utgrunden Aktiebolag (Sweden) (100.00)
 Enron Wind Domestic Holding Corp. (California) (100.00)
 Enron Wind Development Corp. (California) (100.00)
 Enron Wind Cabazon Funding LLC (Delaware) (100.00)
 Cabazon Holdings LLC (Delaware) (39.00)
 Cabazon Power Partners LLC EWG (Delaware) (100.00)
 Enron Wind Cabazon LLC (Delaware) (100.00)
 Cabazon Holdings LLC (Delaware) (1.00)
 Cabazon Power Partners LLC EWG (Delaware) (100.00)
 Enron Wind Indian Mesa (Delaware) (100.00)
 Enron Wind Indian Mesa II LLC (Delaware) (100.00)
 Indian Mesa Power Partners II LP (Delaware) (99.00)
 Enron Wind Indian Mesa III LLC (Delaware) (100.00)
 Indian Mesa Power Partners III LP (Delaware) (1.00)
 Enron Wind Lake Benton LLC (Delaware) (100.00)
 Lake Benton Power Associates LLC (Delaware) (1.00)
 Lake Benton Holdings LLC (Delaware) (100.00)
 Lake Benton Power Partners LLC EWG (Delaware) (100.00)
 Enron Wind Midwest LLC (Delaware) (100.00)
 Enron Wind Lake Benton II LLC (Delaware) (100.00)
 Lake Benton Power Partners II LLC EWG (Delaware) (100.00)
 Enron Wind Storm Lake I LLC (Delaware) (100.00)
 Storm Lake Power Partners I LC EWG (Delaware) (100.00)

Enron Wind Storm Lake II LLC (Delaware) (100.00)
Storm Lake Power Partners II LLC (Delaware) (100.00)
Storm Lake II Power Associates LLC EWG (Delaware) (1.00)
Storm Lake II Holdings LLC (Delaware) (100.00)
Enron Wind Palm Springs LLC (Delaware) (100.00)
Palm Springs Power Partners LLC (Delaware) (100.00)
Enron Wind Southwest Texas I LLC (Delaware) (100.00)
Southwest Texas Power Partners I LP (Delaware) (1.00)
Enron Wind Texas Panhandle I LLC (Delaware) (100.00)
Gorman Power Partners I LLC (Delaware) (100.00)
Green Power Partners I LLC (Delaware) (100.00)
Green Power Partners II LLC (Delaware) (100.00)
Indian Mesa Power Partners II LLC (Delaware) (100.00)
Indian Mesa Power Partners I LP (Delaware) (99.00)
Indian Mesa Power Partners II LP (Delaware) (99.00)
Indian Mesa Power Partners III LP (Delaware) (99.00)
Kahua Power Partners LLC (Delaware) (100.00)
Lake Wilson Power Partners I LLC (Delaware) (100.00)
Midwest Power Funding LLC (Delaware) (100.00)
Painted Hills Power Partners I LLC (Delaware) (100.00)
Rocky Mountain Power Partners LLC (Delaware) (100.00)
Rocky Mountain Power Partners II LLC (Delaware) (100.00)
Southwest Texas Power Partners I LP (Delaware) (99.00)
Texas Panhandle Power Partners I LP (Delaware) (99.00)
Victory Garden Power Partners I LLC (Delaware) (100.00)
Zond Cabazon Development Corporation (Delaware) (100.00)
Zond Iowa Development Corporation (Delaware) (100.00)
Zond Maine Development Corporation (Delaware) (100.00)
Zond Palm Springs Development Corporation (California) (100.00)
Palm Springs Wind Developers (California) (50.00)
Enron Wind Systems, Inc. EWG (California) (100.00)
Enron Wind Funding LLC (Delaware) (100.00)
Storm Lake II Power Associates LLC EWG (Delaware) (99.00)
Enron Wind Overseas Development Limited (England) (100.00)
Cambrian Wind Energy Limited (Wales) (100.00)
Enron Wind Ireland Limited (Ireland) (100.00)
Mynydd Gorddu Maintenance Limited (England) (100.00)
Parco Eolico Faeto S.R.L. (Italy) (50.00)
Zond International Contractors Limited (England) (100.00)
Mesa Wind Developers (California) (50.00)
Painted Hills Wind Developers (California) (50.00)
Triveni Zond Private Limited (India) (100.00)
Zond Mesa-VGIV Corporation (California) (100.00)
Zond Construction Corporation (California) (100.00)
Mesa Construction Company (California) (50.00)
Zond Pacific, Inc. (Hawaii) (100.00)
Zond Windsystems Management Corporation (California) (100.00)
Zond-PanAero Windsystems Partners I EWG (California) (0.5)
Zond Windsystems Management Corporation II (California) (100.00)
Zond-PanAero Windsystems Partners II EWG (California) (0.5)
Zond Windsystems Management Corporation III (California) (100.00)
Zond Windsystems Partners, Ltd. Series 85-A EWG (California) (1.00)
Sagebrush Partner Seventeen, Inc. (California) (100.00)
Zond Windsystems Management Corporation IV (California) (100.00)
Zond Windsystems Partners, Ltd. Series 85-B EWG (California) (1.00)
Sagebrush Partner Eighteen, Inc. (California) (100.00)
Zond Windsystems Management Corporation V (California) (100.00)
Zond Windsystems Partners, Ltd. Series 85-C EWG (California) (1.00)
Sagebrush Partner Nineteen, Inc. (California) (100.00)
Zond Windsystems Operating Corporation (California) (100.00)
ZWHC, L.L.C. EWG (California) (50.00)
Sagebrush Partners Twenty, Inc. (California) (100.00)
Enron Wind Holdings B.V. (The Netherlands) (100.00)
Enron Wind Holding GmbH (Germany) (100.00)
Tacke Windenergie GmbH (Germany) (100.00)

Tacke Service GmbH (Germany) (100.00)
 Enron Wind International Development Corp. (California) (100.00)
 Enron Wind International Holding Corp. (California) (100.00)
 Enron Wind Cayman Holding Corp. (Cayman Islands) (100.00)
 Enron Wind Development Holdings B.V. (The Netherlands) (100.00)
 Enron Wind Hellas Holdings B.V. (The Netherlands) (100.00)
 Aeolos S.A. FUCO (Greece) (100.00)
 IWECO Megali Vrissi S.A. FUCO (Greece) (100.00)
 Enron Wind Hellas S.A.-Construction Management Services of
 Wind Power Stations (Greece) (99.97)
 Enron Wind Hellas S.A.-Operation Maintenance
 Services of Wind Power Stations (Greece) (99.97)
 Mynydd Eleri Limited (Cayman Islands) (99.00)
 Zond Cayman Corporation (Cayman Islands) (100.00)
 Mynydd Eleri Limited (Cayman Islands) (1.00)
 Zond Cayman Corporation (Cayman Islands) (100.00)
 Zond Honduras L.L.C. (Cayman Islands) (99.00)
 Zond Power Partners of Chandras L.L.C. (Cayman Islands)
 (99.00)
 Zond Power Partners of Honduras L.L.C. (Cayman Islands)
 (99.00)
 Zond Power Partners of Megali Vrissi L.L.C. (Cayman Islands)
 (99.00)
 Zond Power Partners of Mynydd Gorddu L.L.C. (Cayman Islands)
 (99.00)
 Mynydd Gorddu Investment Company (Cayman Islands)
 (100.00)
 Zond Power Partners of Owenreagh L.L.C. (Cayman Islands)
 (99.00)
 Enron Wind de Espana, S.L. (Spain) (100.00)
 Zond Chile S.A. (Chile) (99.00)
 Zond de Espana Parques Eolicos, S.L. (Spain) (100.00)
 Zond Honduras L.L.C. (Cayman Islands) (99.00)
 Zond Power Partners of Chandras L.L.C. (Cayman Islands) (99.00)
 Zond Power Partners of Honduras L.L.C. (Cayman Islands) (99.00)
 Zond Power Partners of Megali Vrissi L.L.C. (Cayman Islands)
 (99.00)
 Zond Power Partners of Mynydd Gorddu L.L.C. (Cayman Islands)
 (99.00)
 Zond Power Partners of Owenreagh L.L.C. (Cayman Islands) (99.00)
 Owenreagh Power Partners FUCO (Cayman Islands) (5.00)
 Iweco S.A. (Greece) (98.00)
 Aeolos S.A. (Greece) (98.00)
 Iweco Megali Vrissi S.A. (Greece) (98.00)
 Iweco Megali Vrissi S.A. (Greece) (2.00)
 X2Y2 Corporation (California) (81.10)
 Zond Construction Corporation (California) (100.00)
 Zond Construction Corporation II (California) (100.00)
 Mesa Construction Company II (California) (50.00)
 Zond Construction Corporation III (California) (100.00)
 Zond Construction Corporation IV (California) (100.00)
 Zond Constructors, Inc. (California) (100.00)
 Zond Constructors II, Inc. (California) (100.00)
 Zond Minnesota Construction Company L.L.C. (California) (99.00)
 Zond Minnesota Construction Company L.L.C. (California) (1.00)
 Enron Wind Development Corp.. EWG (Pending).
 Zond Energy Systems, Inc. (California) (100.00)
 Zond International Sales Corporation (Barbados) (100.00)
 Zond Maintenance Corporation (California) (100.00)
 Zond Victory Garden Phase IV Maintenance Corporation (California) (100.00)
 SPORTS FINANCING CORP. (Delaware) (100.00)
 Stadium Facilities, L. P. (Texas) (50.00)
 TRANSBORDER GAS SERVICES II LTD. (Cayman Islands) (100.00)
 TRANSBORDER SHIPPING SERVICES LTD. (Cayman Islands) (100.00)
 WHITEWING ASSOCIATES L.L.C. (Delaware) (53.00)
 Blue Herron I LLC (Delaware) (100.00)

HPL Asset Holdings L.P. (Delaware) (.01)
Merlin Acquisition L.P. (Delaware) (.01)
ECT Colombia Pipeline Holdings 2 Ltd. (Cayman Islands) (100.00)
 Promigas S.A., E.S.P. FUCO (Pending) (41.23)
Pelican Bidder L.P. (Delaware) (.01)
 European Power Holdings (England) (50.00)
Pelican Bidder Cayman Limited (Cayman Islands) (100.00)
 European Power Holdings (England) (50.00)
Pelican Bidder L.P. (Delaware) (99.99)
 SE Acquisition, L.P. (Delaware) (.01)
 SE Raven L.P. (Delaware) (99.99)
 SE Thunderbird, L.P. (Delaware) (99.99)
 SE Raptor L.P. (Delaware) (.01)
 SE Raven L.P. (Delaware) (.01)
 SE Thunderbird, L.P. (Delaware) (.01)
Merlin Acquisition L.P. (Delaware) (99.99)
 ECT Colombia Pipeline Holdings 2 Ltd. (Cayman Islands)
 (100.00)
 Promigas S.A., E.S.P. FUCO (Pending). (41.23)
SE Acquisition, L.P. (Delaware) (99.99)
SE Raven L.P. (Delaware) (99.99)
SE Thunderbird, L.P. (Delaware) (99.99)
YELLOWKNIFE INVESTORS, INC. (Delaware) (100.00)

Exhibit 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports dated March 13, 2000 included in this Form 10-K, into Enron Corp.'s previously filed Registration Statement File Nos. 33-13397 (Savings Plan), 33-34796 (Savings Plan), 33-52261 (Savings Plan), 33-27893 (1988 Stock Option Plan), 33-52768 (1991 Stock Plan), 33-60821 (1994 Stock Plan), 333-70465 (Debt Securities, Common Stock, Preferred Stock and Depositary Shares), 333-48193 (1994 Deferral Plan), 333-75703 (3,825,921 Shares of Common Stock), 333-82225 (1994 Stock Plan), 333-85001 (1994 Stock Plan), 333-82227 (1991 Stock Plan) and 333-84999 (1991 Stock Plan).

ARTHUR ANDERSEN LLP

Houston, Texas
March 28, 2000

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that in connection with the filing by Enron Corp., an Oregon corporation (the "Company"), of its Annual Report on Form 10-K for the year ended December 31, 1999 with the Securities and Exchange Commission, the undersigned officer or director of the Company hereby constitutes and appoints Kenneth L. Lay, Richard A. Causey, Andrew S. Fastow and Rebecca C. Carter, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file such Annual Report on Form 10-K together with any amendments or supplements thereto, with all exhibits and any and all documents required to be filed with respect thereto with any regulatory authority, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as the undersigned might or could do if personally present, hereby ratifying and confirming all the said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

ROBERT A. BELFER
Robert A. Belfer

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

NORMAN P. BLAKE, JR.
Norman P. Blake, Jr.

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

RONNIE C. CHAN
Ronnie C. Chan

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

JOHN H. DUNCAN
John H. Duncan

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

JOE H. FOY
Joe H. Foy

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set her hand this 28th day of March, 2000.

WENDY L. GRAMM
Wendy L. Gramm

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

KEN L. HARRISON
Ken L. Harrison

POWER OF ATTORNEY

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ROBERT K. JAEDICKE
Robert K. Jaedicke

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

KENNETH L. LAY
Kenneth L. Lay

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

CHARLES A. LeMAISTRE
Charles A. LeMaistre

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set her hand this 28th day of March, 2000.

REBECCA MARK-JUSBASCHE
Rebecca Mark-Jusbasche

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

JOHN MENDELSON
John Mendelson

POWER OF ATTORNEY

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JEROME J. MEYER
Jerome J. Meyer

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

PAULO V. FERRAZ PEREIRA
Paulo V. Ferraz Pereira

POWER OF ATTORNEY

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FRANK SAVAGE
Frank Savage

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

JEFFREY K. SKILLING
Jeffrey K. Skilling

POWER OF ATTORNEY

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JOHN A. URQUHART
John A. Urquhart

POWER OF ATTORNEY

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JOHN WAKEHAM
John Wakeham

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereto set his hand this 28th day of March, 2000.

HERBERT S. WINOKUR, JR.
Herbert S. Winokur, Jr.

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